



SINGAPORE PRESS HOLDINGS LIMITED

Reg. No. 198402868E

(Incorporated in Singapore)

ANNOUNCEMENT

UNAUDITED RESULTS* FOR THE PERIOD ENDED FEBRUARY 28, 2014

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 Second Quarter ended February 28, 2014

	Group		Change %
	2Q 2014	2Q 2013	
	S\$'000	S\$'000	
Operating revenue			
Newspaper and Magazine	211,629	224,433	(5.7)
Property	51,699	50,170	3.0
Others	15,436	7,580	NM
	<u>278,764</u>	<u>282,183</u>	(1.2)
Other operating income	3,000	3,268	(8.2)
	<u>281,764</u>	<u>285,451</u>	(1.3)
Materials, production and distribution costs	(45,544)	(46,905)	(2.9)
Staff costs	(101,108)	(85,526)	18.2
Premises costs	(15,677)	(15,946)	(1.7)
Depreciation	(13,588)	(14,411)	(5.7)
Other operating expenses	(43,742)	(31,599)	38.4
Finance costs	(8,610)	(6,457)	33.3
Profit before investment (loss)/income, share of net (loss)/profit of associates and jointly-controlled entities, and gain on partial divestment of a jointly-controlled entity #	53,495	84,607	(36.8)
Net (loss)/income from investments	(5,535)	4,209	NM
Share of net (loss)/profit of associates and jointly-controlled entities	(2,471)	1,518	NM
Gain on partial divestment of a jointly- controlled entity	52,863	-	NM
Profit before taxation	<u>98,352</u>	<u>90,334</u>	8.9
Taxation	(8,106)	(13,788)	(41.2)
Profit after taxation	<u>90,246</u>	<u>76,546</u>	17.9
Attributable to:			
Shareholders of the Company	81,302	75,597	7.5
Non-controlling interests	8,944	949	NM
	<u>90,246</u>	<u>76,546</u>	17.9

* Please refer to the attached auditors' review report.

This represents the recurring earnings of the media and property businesses.

NM: Not meaningful

Note: During the last financial year, the Group changed its accounting policy for investment properties from cost to fair value model. The change was applied retrospectively and accordingly, the comparative financial statements were restated. The effects of the change were set out in the FY2013 audited financial statements.

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

	Group		
	2Q	2Q	Change
	2014	2013	
	S\$'000	S\$'000	%
Write-back of allowance for stock obsolescence	404	65	NM
Share-based compensation expense	(1,049)	(1,754)	(40.2)
Allowance for impairment of trade receivables	(637)	(251)	NM
Bad debts recovery	24	22	9.1
Amortisation of intangible assets	(2,340)	(1,880)	24.5
Net profit on disposal of property, plant and equipment	21	300	(93.0)
Impairment of property, plant and equipment	(9,939)	-	NM
Allowance for impairment of an associate	-	(240)	NM
Interest income	2,344	1,415	65.7
Net fair value changes on			
- Internally-managed assets at fair value through profit or loss	(125)	(38)	NM
- Derivative financial instruments	(3,763)	(773)	NM
Net foreign exchange (loss)/gain	(392)	376	NM
Impairment of investments	(6,040)	-	NM
Net over-provision of prior years' taxation	1,495	846	76.7

1(a)(iii) Statement of Comprehensive Income

	Group		Change
	2Q 2014 S\$'000	2Q 2013 S\$'000	
Profit after taxation	90,246	76,546	17.9
Other comprehensive income/(loss), net of tax <u>Items that may be re-classified subsequently to profit or loss</u>			
Cash flow hedges			
- net fair value changes	(138)	(391)	(64.7)
- transferred to income statement	723	521	38.8
Net fair value changes on available-for-sale financial assets			
- net fair value changes	29,738	21,750	36.7
- transferred to income statement	3,408	(1,911)	NM
Currency translation difference			
- arising from consolidation of financial statements of foreign subsidiaries, associates and jointly- controlled entities	(165)	490	NM
	33,566	20,459	64.1
Total comprehensive income	<u>123,812</u>	<u>97,005</u>	27.6
Attributable to:			
Shareholders of the Company	114,718	96,071	19.4
Non-controlling interests	9,094	934	NM
	<u>123,812</u>	<u>97,005</u>	27.6

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 February 28, 2014

	Group		Company	
	Feb 28, 2014 S\$'000	Aug 31, 2013 S\$'000	Feb 28, 2014 S\$'000	Aug 31, 2013 S\$'000
CAPITAL EMPLOYED				
Share capital	522,809	522,114	522,809	522,114
Treasury shares	(3,046)	(6,269)	(3,046)	(6,269)
Reserves	472,010	428,706	68,128	72,953
Retained profits	2,519,890	2,591,929	249,830	384,821
Shareholders' interests	3,511,663	3,536,480	837,721	973,619
Non-controlling interests	681,324	679,226	-	-
Total equity	4,192,987	4,215,706	837,721	973,619
EMPLOYMENT OF CAPITAL				
Non-current assets				
Property, plant and equipment	302,692	331,778	177,610	200,744
Investment properties	3,698,981	3,672,565	-	-
Investments in subsidiaries	-	-	411,805	411,805
Investments in associates	66,117	55,857	31,160	31,160
Investments in jointly-controlled entities	31,858	6,391	-	-
Trade and other receivables	3,165	2,987	231,553	231,231
Long-term investments	519,294	482,050	53,969	54,098
Intangible assets	175,406	171,357	35,226	36,230
	4,797,513	4,722,985	941,323	965,268
Current assets				
Inventories	32,507	23,890	31,101	22,489
Trade and other receivables	149,774	147,774	1,242,973	949,023
Short-term investments	747,485	981,531	27,045	579,936
Derivative financial instruments	751	273	136	-
Asset classified as held for sale	-	31,503	-	-
Cash and cash equivalents	660,283	465,398	263,590	75,362
	1,590,800	1,650,369	1,564,845	1,626,810
Total assets	6,388,313	6,373,354	2,506,168	2,592,078
Non-current liabilities				
Trade and other payables	33,483	34,026	-	-
Deferred income tax liabilities	47,261	41,318	28,528	29,776
Borrowings	1,760,426	1,738,222	829,202	828,921
Derivative financial instruments	7,607	1,352	522	372
	1,848,777	1,814,918	858,252	859,069
Current liabilities				
Trade and other payables	280,840	268,969	772,214	717,387
Current income tax liabilities	60,381	69,613	37,745	42,003
Borrowings	2,698	2,721	-	-
Derivative financial instruments	2,630	1,427	236	-
	346,549	342,730	810,195	759,390
Total liabilities	2,195,326	2,157,648	1,668,447	1,618,459
Net assets	4,192,987	4,215,706	837,721	973,619

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

Group Borrowings

Amount repayable in one year

As at February 28, 2014		As at August 31, 2013	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	2,698	-	2,721

Amount repayable after one year

As at February 28, 2014		As at August 31, 2013	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
894,949	865,477	872,495	865,727

Details of collateral

The secured bank loan facilities as at February 28, 2014 comprised the term loan facilities of S\$975.0 million (August 31, 2013: S\$975.0 million) and S\$138.0 million (August 31, 2013: S\$138.0 million) undertaken by the subsidiaries, SPH REIT and The Seletar Mall Pte Ltd ("Seletar Mall") respectively. As at the balance sheet date, the amounts drawn down were S\$850.0 million for SPH REIT and S\$53.1 million for Seletar Mall.

The term loan taken up by SPH REIT is secured by way of a first legal mortgage on SPH REIT's investment property – Paragon, first legal charge over the tenancy account and sales proceeds account for Paragon, and an assignment of insurance taken in relation to Paragon.

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 taken 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\$894.9 million as at February 28, 2014 represented the secured 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 Second Quarter ended February 28, 2014

	2Q 2014 S\$'000	2Q 2013 S\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	98,352	90,334
Adjustments for:		
Amortisation of intangible assets	2,340	1,880
Depreciation	13,588	14,411
Net profit on disposal of property, plant and equipment	(21)	(300)
Impairment of property, plant and equipment	9,939	-
Allowance for impairment of an associate	-	240
Finance costs	8,610	6,457
Net loss/(income) from investments	5,535	(4,209)
Share of net loss/(profit) of associates and jointly-controlled entities	2,471	(1,518)
Gain on partial divestment of a jointly-controlled entity	(52,863)	-
Share-based compensation expense	1,049	1,754
Other non-cash items	793	451
Operating cash flow before working capital changes	<u>89,793</u>	<u>109,500</u>
Changes in operating assets and liabilities, net of effects from acquisition and disposal of subsidiaries and business:		
Inventories	(4,557)	(1,960)
Trade and other receivables, current	20,297	11,002
Trade and other payables, current	(29,924)	(53,133)
Trade and other receivables, non-current	(127)	460
Trade and other payables, non-current	(718)	(1,288)
Currency translation difference	329	44
	<u>75,093</u>	<u>64,625</u>
Income tax paid	(34,429)	(31,458)
Dividends paid	(242,307)	(274,091)
Dividends paid (net) by a subsidiary to non-controlling interests	(13,956)	-
Net cash used in operating activities	<u><u>(215,599)</u></u>	<u><u>(240,924)</u></u>

**Consolidated Statement of Cash Flows for the Second Quarter ended
February 28, 2014 (cont'd)**

	2Q 2014 S\$'000	2Q 2013 S\$'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(4,188)	(6,310)
Proceeds from disposal of property, plant and equipment	22	331
Additions to investment properties	(10,456)	(9,225)
Acquisition of additional interest in a subsidiary	(200)	-
Acquisition of business by a subsidiary	(270)	(2,369)
Acquisition of interest in an associate	(8,772)	-
Dividends received from an associate	2,279	18
Proceeds from capital distribution from an associate	92	-
Proceeds from capital reduction exercise of an associate	-	6,000
Additional consideration paid on interest in a jointly-controlled entity	-	(5,493)
Proceeds from partial divestment of interest in a jointly-controlled entity	16,856	-
Decrease/(Increase) in amounts owing by associates/jointly-controlled entities	10,957	(44)
Increase in amounts owing to jointly-controlled entities	23,788	1,376
Purchase of long-term investments	(347)	(166)
Proceeds from disposal of long-term investments	-	133
Purchase of short-term investments	(114,106)	(23,485)
Proceeds from redemption/disposal of short-term investments	142,270	37,202
Dividends received	155	770
Interest received	2,265	1,388
Other investment (loss)/income	(1,864)	1,117
Net cash from investing activities	<u>58,481</u>	<u>1,243</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank loans (net of transaction costs)	11,899	9,561
Repayment of bank loan	(800)	-
Interest paid	(5,270)	(2,913)
Proceeds from issuance of shares by the Company	329	640
Share buy-back	(4,002)	(4,397)
Net cash from financing activities	<u>2,156</u>	<u>2,891</u>
Net decrease in cash and cash equivalents	(154,962)	(236,790)
Cash and cash equivalents at beginning of period	<u>815,245</u>	<u>640,227</u>
Cash and cash equivalents at end of period	<u>660,283</u>	<u>403,437</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 Second Quarter ended February 28, 2014

(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 December 1, 2013	522,438	(6,269)	(12,673)	22,821	(5,821)	438,794	(721)	2,438,784	3,397,353	686,309	4,083,662
Total comprehensive income/(loss) for the quarter	-	-	-	-	427	33,146	(157)	81,302	114,718	9,094	123,812
Transactions with owners, recognised directly in equity											
<u>Contributions by and distributions to owners</u>											
Share-based compensation	-	-	-	1,062	-	-	-	-	1,062	-	1,062
Issue of shares	371	-	-	(42)	-	-	-	-	329	-	329
Reversal of listing expenses of a subsidiary	-	-	1,998	-	-	-	-	-	1,998	81	2,079
Treasury shares released	-	7,225	-	(6,548)	-	-	-	(420)	257	-	257
Share buy-back – held as treasury shares	-	(4,002)	-	-	-	-	-	-	(4,002)	-	(4,002)
Lapse of share options	-	-	-	(276)	-	-	-	276	-	-	-
Dividends	-	-	-	-	-	-	-	(6)	(6)	(13,956)	(13,962)
<u>Changes in ownership interests in subsidiaries</u>											
Acquisition of additional interests in subsidiaries	-	-	-	-	-	-	-	227	227	(477)	(250)
Dilution of interest in a subsidiary	-	-	-	-	-	-	-	(273)	(273)	273	-
Balance as at February 28, 2014	522,809	(3,046)	(10,675)	17,017	(5,394)	471,940	(878)	2,519,890	3,511,663	681,324	4,192,987

Statements of Changes in Total Equity for the Second Quarter ended February 28, 2014 (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 December 1, 2012	505,678	(4,171)	2,005	25,940	(5,982)	347,175	(2,880)	2,658,177	3,525,942	69,782	3,595,724
Total comprehensive income/(loss) for the quarter	-	-	-	-	130	19,839	505	75,597	96,071	934	97,005
Transactions with owners, recognised directly in equity											
<u>Contributions by and distributions to owners</u>											
Share-based compensation	-	-	-	1,763	-	-	-	-	1,763	-	1,763
Issue of shares	722	-	-	(82)	-	-	-	-	640	-	640
Treasury shares released	-	8,235	-	(7,464)	-	-	-	(373)	398	-	398
Share buy-back – held as treasury shares	-	(4,397)	-	-	-	-	-	-	(4,397)	-	(4,397)
Lapse of share options	-	-	-	(133)	-	-	-	133	-	-	-
Balance as at February 28, 2013	506,400	(333)	2,005	20,024	(5,852)	367,014	(2,375)	2,733,534	3,620,417	70,716	3,691,133

Statements of Changes in Total Equity for the Second Quarter ended February 28, 2014 (cont'd)

(b) Company

	Share Capital S\$'000	Treasury Shares S\$'000	Share-based Compensation Reserve S\$'000	Hedging Reserve S\$'000	Fair Value Reserve S\$'000	Retained Profits S\$'000	Total Equity S\$'000
Balance as at December 1, 2013	522,438	(6,269)	22,821	(493)	52,319	225,250	816,066
Total comprehensive income/(loss) for the quarter	-	-	-	59	(774)	24,730	24,015
Transactions with owners, recognised directly in equity							
<u>Contributions by and distributions to owners</u>							
Share-based compensation	-	-	1,062	-	-	-	1,062
Issue of shares	371	-	(42)	-	-	-	329
Treasury shares released	-	7,225	(6,548)	-	-	(420)	257
Share buy-back – held as treasury shares	-	(4,002)	-	-	-	-	(4,002)
Lapse of share options	-	-	(276)	-	-	276	-
Dividends	-	-	-	-	-	(6)	(6)
Balance as at February 28, 2014	522,809	(3,046)	17,017	(434)	51,545	249,830	837,721
Balance as at December 1, 2012	505,678	(4,171)	25,940	(458)	45,605	484,209	1,056,803
Total comprehensive income/(loss) for the quarter	-	-	-	(130)	5,681	43,761	49,312
Transactions with owners, recognised directly in equity							
<u>Contributions by and distributions to owners</u>							
Share-based compensation	-	-	1,763	-	-	-	1,763
Issue of shares	722	-	(82)	-	-	-	640
Treasury shares released	-	8,235	(7,464)	-	-	(373)	398
Share buy-back – held as treasury shares	-	(4,397)	-	-	-	-	(4,397)
Lapse of share options	-	-	(133)	-	-	133	-
Balance as at February 28, 2013	506,400	(333)	20,024	(588)	51,286	527,730	1,104,519

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) Between December 1, 2013 and February 28, 2014, the Company issued 88,200 ordinary shares under the Singapore Press Holdings Group (1999) Share Option Scheme (the "1999 Scheme").
- (b) As a result of the 88,200 ordinary shares issued pursuant to the 1999 Scheme, the Company issued 891 management shares in accordance with the Newspaper and Printing Presses Act, Cap. 206 between December 1, 2013 and February 28, 2014.
- (c) Under the 1999 Scheme, options to subscribe for 19,383,350 ordinary shares remain outstanding as at February 28, 2014 compared to options to subscribe for 24,813,600 ordinary shares as at February 28, 2013. Movements in the number of the unissued shares of the Company under the 1999 Scheme during the second quarter are as follows:

<u>Outstanding</u> <u>as at 01.12.13</u> (‘000)	<u>Exercised</u> (‘000)	<u>Lapsed</u> (‘000)	<u>Outstanding</u> <u>as at 28.02.14</u> (‘000)
20,111	(88)	(640)	19,383

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 February 28, 2014, the number of shares granted and outstanding (being contingent award) under the SPH Performance Share Plan was 5,888,724 (February 28, 2013: 6,391,666). Movements in the number of performance shares during the second quarter are summarised below:

<u>Outstanding</u> <u>as at 01.12.13</u> (‘000)	<u>Adjusted[#]</u> (‘000)	<u>Granted</u> (‘000)	<u>Vested</u> (‘000)	<u>Lapsed</u> (‘000)	<u>Outstanding</u> <u>and unvested</u> <u>as at 28.02.14</u> (‘000)
6,181	(389)	1,954	(1,820)	(37)	5,889

[#] Adjusted at end of the performance period based on the level of achievement of pre-set performance conditions

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 November 29, 2013), the Company bought back 1,000,000 ordinary shares during the current quarter. These shares are held as treasury shares, until released from time to time for the fulfilment of the awards under the SPH Performance Share Plan. The amount paid, including brokerage fees, totalled S\$4.0 million and was deducted against shareholders' equity.

Share Capital and Treasury Shares

As at February 28, 2014, the Company had 1,599,884,299 ordinary shares, 16,361,769 management shares and 764,822 treasury shares (August 31, 2013: 1,598,900,881 ordinary shares, 16,360,117 management shares and 1,584,740 treasury shares).

During the current quarter, the Company transferred 1,819,918 treasury shares for the fulfillment of share awards vested under the SPH Performance Share Plan. The total value of the treasury shares transferred was S\$7.2 million.

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

The financial information as set out in paragraphs 1, 5, 6, 7, 9, 10, 11 and 16 of this announcement has been extracted from the condensed interim financial information that has been reviewed by our auditors, KPMG LLP, in accordance with Singapore Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity ("SSRE 2410").

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

Please refer to the attached auditors' review report.

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 for new or amended Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") which 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 Second Quarter ended February 28, 2014

		Group	
		2Q 2014	2Q 2013
(a)	Based on the weighted average number of shares on issue (S\$)	0.05	0.05
(b)	On fully diluted basis (S\$)	0.05	0.05

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

	Group		Company	
	Feb 28, 2014	Aug 31, 2013	Feb 28, 2014	Aug 31, 2013
Net asset value per share based on total number of issued shares at the end of period/year (S\$)	2.17	2.19	0.52	0.60

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, Property, and Treasury and Investment. The Newspaper and Magazine segment is involved in the production of content for distribution on print and multimedia platforms including the Internet and mobile devices. The Property segment holds, manages and develops properties of the Group. The Treasury and Investment segment manages the investment activities 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 online classified, organising events and exhibitions, online investor relations and financial portal services, book publishing and distribution, radio and television broadcasting, and the New Media Fund.

Review of Results for the Second Quarter ended February 28, 2014 (“2Q 2014”) compared with the Second Quarter ended February 28, 2013 (“2Q 2013”)

- 7.1 Group operating revenue of S\$278.8 million was S\$3.4 million (1.2%) lower compared to 2Q 2013. Total costs were up S\$27.4 million (13.7%) to S\$228.3 million due to one-off impairment charge, and higher bonus costs including a one-off special bonus for prior year arising from REIT profit and an incentive to drive growth.

The Group’s results were lifted by a S\$52.9 million gain on partial divestment of its stake in the regional online classified business.

The Group also took an impairment on portfolio investments due to prolonged decline in value (S\$6.0 million). This led to a net loss from investments of S\$5.5 million compared to a net gain of S\$4.2 million in 2Q 2013.

Profit after taxation was higher by S\$13.7 million (17.9%) against the corresponding quarter.

- 7.2 For the Newspaper and Magazine business, the Group is on track to deliver cost initiatives which would generate annual savings of S\$19 million when implemented. The resulting efficiency gains and cost curtailment enabled the Group to contain its operating costs in the current quarter which saw declines in advertisement and circulation revenue of S\$11.2 million (6.6%) and S\$1.8 million (3.8%) respectively.

To attain efficiencies and reduce printing costs, the Group optimised its printing capacity by removing one press line. However, one-off impairment charge of S\$9.9 million was taken. In addition, staff costs were up S\$15.6 million (18.2%) mainly due to higher bonus costs including a one-off special bonus for prior year of S\$10.4 million arising from REIT profit and an incentive to drive growth.

- 7.3 Revenue for the Property segment rose S\$1.5 million (3.0%) to S\$51.7 million. The retail assets of SPH REIT, Paragon and The Clementi Mall, have turned in better performance on the back of higher rental income and full occupancy rates.
- 7.4 Revenue from the Group’s other businesses doubled to S\$15.4 million, boosted by contributions from exhibitions, online classified and the radio business. The segment was further lifted by the gain on partial divestment of S\$52.9 million.
- 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, and its other media businesses.
- 7.6 Taxation charge of S\$8.1 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\$1.5 million for over-provision of taxation in respect of prior years.
- 7.7 Net profit attributable to shareholders was S\$81.3 million, S\$5.7 million (7.5%) higher compared to 2Q 2013. This was net of SPH REIT’s profits attributable to non-controlling interests.

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) Performance for the Half Year ended February 28, 2014

(i) Results for the Half Year ended February 28, 2014

	Group		Change %
	1H 2014 S\$'000	1H 2013 S\$'000	
Operating revenue			
Newspaper and Magazine	467,498	487,951	(4.2)
Property	102,486	98,362	4.2
Others	37,255	17,962	NM
	<u>607,239</u>	<u>604,275</u>	0.5
Other operating income	6,503	7,553	(13.9)
	<u>613,742</u>	<u>611,828</u>	0.3
Materials, production and distribution costs	(98,350)	(100,710)	(2.3)
Staff costs	(192,408)	(174,569)	10.2
Premises costs	(31,704)	(31,074)	2.0
Depreciation	(27,970)	(28,993)	(3.5)
Other operating expenses	(75,483)	(64,542)	17.0
Finance costs	(17,459)	(12,993)	34.4
Profit before investment (loss)/income, share of net loss of associates and jointly-controlled entities, and gain on partial divestment of a jointly-controlled entity #	170,368	198,947	(14.4)
Net (loss)/income from investments	(416)	7,263	NM
Share of net loss of associates and jointly-controlled entities	(5,964)	(516)	NM
Gain on partial divestment of a jointly- controlled entity	52,863	-	NM
Profit before taxation	<u>216,851</u>	<u>205,694</u>	5.4
Taxation	(28,909)	(32,965)	(12.3)
Profit after taxation	<u>187,942</u>	<u>172,729</u>	8.8
Attributable to:			
Shareholders of the Company	170,117	170,720	(0.4)
Non-controlling interests	17,825	2,009	NM
	<u>187,942</u>	<u>172,729</u>	8.8

* Please refer to the attached auditors' review report .

This represents the recurring earnings of the media and property businesses.

NM: Not meaningful

Note: During the last financial year, the Group changed its accounting policy for investment properties from cost to fair value model. The change was applied retrospectively and accordingly, the comparative financial statements were restated. The effects of the change were set out in the FY2013 audited financial statements.

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

	Group		
	1H	1H	
	2014	2013	Change
	S\$'000	S\$'000	%
Write-back of allowance/(Allowance) for stock obsolescence	532	(682)	NM
Share-based compensation expense	(2,703)	(3,379)	(20.0)
Allowance for impairment of trade receivables	(1,898)	(741)	NM
Bad debts recovery	179	149	20.1
Amortisation of intangible assets	(4,742)	(3,763)	26.0
Net (loss)/profit on disposal of property, plant and equipment	(137)	332	NM
(Impairment)/Write-back of impairment of property, plant and equipment	(9,939)	1,499	NM
Allowance for impairment of an associate	-	(240)	NM
Interest income	4,297	2,745	56.5
Net fair value changes on			
- Internally-managed assets at fair value through profit or loss	(377)	(120)	NM
- Derivative financial instruments	(1,862)	1,217	NM
Net foreign exchange gain/(loss)	64	(454)	NM
Impairment of investments	(6,353)	-	NM
Net over-provision of prior years' taxation	1,501	809	85.5

9(a)(iii) Statement of Comprehensive Income

	Group		Change
	1H 2014 S\$'000	1H 2013 S\$'000	
Profit after taxation	187,942	172,729	8.8
Other comprehensive income/(loss), net of tax <u>Items that may be re-classified subsequently to profit or loss</u>			
Cash flow hedges			
- net fair value changes	(7,715)	(461)	NM
- transferred to income statement	1,485	1,043	42.4
Net fair value changes on available-for-sale financial assets			
- net fair value changes	45,700	43,431	5.2
- transferred to income statement	4,274	(1,128)	NM
Currency translation difference			
- arising from consolidation of financial statements of foreign subsidiaries, associates and jointly- controlled entities	(1,238)	(67)	NM
	42,506	42,818	(0.7)
Total comprehensive income	<u>230,448</u>	<u>215,547</u>	6.9
Attributable to:			
Shareholders of the Company	214,765	213,597	0.5
Non-controlling interests	15,683	1,950	NM
	<u>230,448</u>	<u>215,547</u>	6.9

9(b) **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 Half Year ended February 28, 2014

	1H 2014 S\$'000	1H 2013 S\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	216,851	205,694
Adjustments for:		
Amortisation of intangible assets	4,742	3,763
Depreciation	27,970	28,993
Net loss/(profit) on disposal of property, plant and equipment	137	(332)
Impairment/(Write-back of impairment) of property, plant and equipment	9,939	(1,499)
Allowance for impairment of an associate	-	240
Finance costs	17,459	12,993
Net loss/(income) from investments	416	(7,263)
Share of net loss of associates and jointly-controlled entities	5,964	516
Gain on partial divestment of a jointly-controlled entity	(52,863)	-
Share-based compensation expense	2,703	3,379
Other non-cash items	1,591	829
Operating cash flow before working capital changes	<u>234,909</u>	<u>247,313</u>
Changes in operating assets and liabilities, net of effects from acquisition and disposal of subsidiaries and business:		
Inventories	(8,617)	(616)
Trade and other receivables, current	7,803	43,132
Trade and other payables, current	(21,191)	(48,717)
Trade and other receivables, non-current	(178)	191
Trade and other payables, non-current	(543)	(822)
Currency translation difference	24	467
	<u>212,207</u>	<u>240,948</u>
Income tax paid	(35,067)	(39,802)
Dividends paid	(242,307)	(274,091)
Dividends paid (net) by subsidiaries to non-controlling interests	(13,970)	-
Net cash used in operating activities	<u><u>(79,137)</u></u>	<u><u>(72,945)</u></u>

**Consolidated Statement of Cash Flows for the Half Year ended February 28, 2014
(cont'd)**

	1H 2014 S\$'000	1H 2013 S\$'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(9,007)	(10,644)
Proceeds from disposal of property, plant and equipment	77	381
Additions to investment properties	(24,997)	(16,153)
Acquisition of additional interest in a subsidiary	(200)	(4,200)
Acquisition of businesses by subsidiaries	(5,770)	(2,369)
Acquisition of interests in associates	(9,275)	-
Dividends received from associates	2,583	1,958
Proceeds from capital distribution from an associate	92	-
Proceeds from capital reduction exercise of an associate	-	6,000
Proceeds from disposal of an associate	31,503	-
Additional consideration paid on interest in a jointly-controlled entity	-	(5,493)
Proceeds from partial divestment of interest in a jointly-controlled entity	16,856	-
(Increase)/Decrease in amounts owing by associates/jointly-controlled entities	(138)	314
Increase/(Decrease) in amounts owing to jointly-controlled entities	34,795	(6,649)
Purchase of long-term investments	(1,076)	(399)
Proceeds from disposal of long-term investments	3,309	133
Purchase of short-term investments	(392,355)	(59,708)
Proceeds from redemption/disposal of short-term investments	623,539	197,001
Dividends received	2,465	2,347
Interest received	4,073	2,613
Other investment income	(718)	1,735
Net cash from investing activities	<u>275,756</u>	<u>106,867</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank loans (net of transaction costs)	21,419	14,059
Repayment of bank loans	(800)	(498)
Interest paid	(18,961)	(13,414)
Proceeds from issuance of shares by the Company	610	3,287
Share buy-back	(4,002)	(6,378)
Net cash used in financing activities	<u>(1,734)</u>	<u>(2,944)</u>
Net increase in cash and cash equivalents	194,885	30,978
Cash and cash equivalents at beginning of period	<u>465,398</u>	<u>372,459</u>
Cash and cash equivalents at end of period	<u>660,283</u>	<u>403,437</u>

10. Earnings Per Share for the Half Year ended February 28, 2014

		Group	
		1H 2014	1H 2013
(a)	Based on the weighted average number of shares on issue (S\$)	0.11	0.11
(b)	On fully diluted basis (S\$)	0.10	0.11

11. Review of Results for the Half Year ended February 28, 2014 (“1H 2014”) compared with the Half Year ended February 28, 2013 (“1H 2013”)

11.1 Group operating revenue grew S\$3.0 million (0.5%) while total costs rose by S\$30.5 million (7.4%). Net loss from investments was S\$0.4 million compared to a net gain of S\$7.3 million in 1H 2013. Including the S\$52.9 million gain on partial divestment, profit after taxation was higher by S\$15.2 million (8.8%) against the corresponding period last year.

11.2 Revenue for the Newspaper and Magazine business of S\$467.5 million was S\$20.4 million (4.2%) lower compared to same period last year, as advertisement and circulation revenue contracted S\$16.9 million (4.5%) and S\$4.1 million (4.3%) respectively.

Revenue for the Property segment rose by S\$4.1 million (4.2%) to S\$102.5 million on the back of higher rental income from Paragon and The Clementi Mall.

Revenue from the Group’s other businesses surged S\$19.3 million to S\$37.3 million, with contributions from exhibitions, online classified and the radio business.

11.3 Materials, production and distribution costs saw a reduction of S\$2.4 million (2.3%). The reduction in newsprint and other material costs of S\$7.7 million (14.9%) was partially offset by higher production costs of S\$5.5 million in tandem with increased revenue from the exhibitions business.

Staff costs increased by S\$17.8 million (10.2%) mainly due to higher bonus costs including a one-off special bonus for prior year of S\$10.4 million arising from REIT profit and an incentive to drive growth.

Other operating expenses rose by S\$10.9 million (17.0%) as the period under review included an impairment charge of S\$9.9 million on a printing press with the optimisation of printing capacity.

The increase in finance costs of S\$4.5 million (34.4%) was attributable to additional borrowings undertaken on the establishment of SPH REIT.

11.4 The Group’s recurring earnings of S\$170.4 million for 1H 2014 was S\$28.6 million (14.4%) lower compared to 1H 2013.

- 11.5 The Group recorded a net loss of S\$0.4 million on its investments compared to a net gain of S\$7.3 million in the corresponding period last year due to impairment charges of S\$6.4 million on portfolio investments arising from prolonged decline in value.
- 11.6 The Group's share of results of associates and jointly-controlled entities included results from its stakes in MediaCorp Press and MediaCorp TV Holdings, and its other media businesses.
- 11.7 The Group completed the partial divestment of its interest in 701Search Pte Ltd to Telenor Communications II AS. As a result, the Group recorded a gain of S\$52.9 million on the divestment.
- 11.8 Taxation charge of S\$28.9 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\$1.5 million for over-provision of taxation in respect of prior years.
- 11.9 Net profit attributable to shareholders was S\$170.1 million, S\$0.6 million (0.4%) lower compared to 1H 2013. This was net of SPH REIT's profits attributable to non-controlling interests.

12. 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

- 12.1 MTI has maintained the 2014 growth forecast for Singapore economy at 2% to 4%. However, tepid growth in the major economic powers and concerns over an escalating geopolitical conflict continue to cloud the already modest economic outlook. The Group's print advertising revenue is expected to perform in tandem with the underlying economic and media industry trends.
- 12.2 Newsprint prices are expected to remain stable in the near-term.
- 12.3 The retail assets of SPH REIT, Paragon and The Clementi Mall, are fully leased and will continue to turn in a steady performance. The development of The Seletar Mall is expected to be completed on schedule at the end of 2014.
- 12.4 The Group will maintain a conservative stance on its investment portfolio allocation with focus on capital preservation. Returns are expected to be commensurate with a low risk-return profile to mitigate against volatility.
- 12.5 The Group has completed the organisational review and is now embarking on its transformation from a position of strength. With a leaner and more agile organisational structure in place, the Group is well placed to respond to the rapid changes in the media industry and structural shifts in consumer behaviour, and to pursue growth opportunities.

13. **Dividends**

(a) **Current Financial Period Reported On**

Name of Dividend	Interim Dividend
Dividend Type	Cash
Dividend Rate	7 cents per share
Tax rate	Tax exempt (One-tier)

(b) **Corresponding Period of the Immediately Preceding Financial Year**

Name of Dividend	Interim Dividend
Dividend Type	Cash
Dividend Rate	7 cents per share
Tax rate	Tax exempt (One-tier)

(c) **Date payable**

The date the dividend is payable: May 23, 2014

(d) **Books closure date**

The Share Transfer Books and Register of Members of the Company will be closed on May 9, 2014 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 May 8, 2014 will be registered to determine shareholders' entitlements to the interim dividend. In respect of shares in securities accounts with the Central Depository (Pte) Limited ("CDP"), the said dividend will be paid by the Company to CDP which will distribute the dividends to holders of the securities accounts.

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

Not applicable.

15. **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 period under review.

16. Segmental information (Group) for the Half Year ended February 28, 2014

1H 2014

	Newspaper and Magazine S\$'000	Property S\$'000	Treasury and Investment S\$'000	Others S\$'000	Eliminations S\$'000	Consolidated S\$'000
Operating revenue						
External sales	467,498	102,486	-	37,255	-	607,239
Inter-segmental sales	4,490	995	-	970	(6,455)	-
Total operating revenue	<u>471,988</u>	<u>103,481</u>	<u>-</u>	<u>38,225</u>	<u>(6,455)</u>	<u>607,239</u>
Result						
Segment result	117,396	74,484	(738)	(3,927)	-	187,215
Finance costs	(68)	(9,025)	(8,361)	(5)	-	(17,459)
Interest income	48	137	-	11	-	196
Share of net profit/(loss) of associates and jointly-controlled entities	1,617	-	-	(7,581)	-	(5,964)
Gain on partial divestment of a jointly-controlled entity	-	-	-	52,863	-	52,863
Profit/(loss) before taxation	<u>118,993</u>	<u>65,596</u>	<u>(9,099)</u>	<u>41,361</u>	<u>-</u>	<u>216,851</u>

1H 2013

	Newspaper and Magazine S\$'000	Property S\$'000	Treasury and Investment S\$'000	Others S\$'000	Eliminations S\$'000	Consolidated S\$'000
Operating revenue						
External sales	487,951	98,362	-	17,962	-	604,275
Inter-segmental sales	1,675	962	-	630	(3,267)	-
Total operating revenue	<u>489,626</u>	<u>99,324</u>	<u>-</u>	<u>18,592</u>	<u>(3,267)</u>	<u>604,275</u>
Result						
Segment result	154,221	73,250	6,880	(15,305)	-	219,046
Finance costs	(69)	(12,918)	-	(6)	-	(12,993)
Interest income	37	96	-	24	-	157
Share of net profit/(loss) of associates and jointly-controlled entities	2,809	-	-	(3,325)	-	(516)
Profit/(loss) before taxation	<u>156,998</u>	<u>60,428</u>	<u>6,880</u>	<u>(18,612)</u>	<u>-</u>	<u>205,694</u>

BY ORDER OF THE BOARD

Ginney Lim May Ling
Khor Siew Kim

Company Secretaries

Singapore,
April 11, 2014



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Report on review of Condensed Interim Financial Information

The Board of Directors
Singapore Press Holdings Limited

Introduction

We have reviewed the accompanying balance sheet of Singapore Press Holdings Limited (the “Company”) and consolidated balance sheet of Singapore Press Holdings Limited and its Subsidiaries (the “Group”) as at February 28, 2014, and the related consolidated statements of income, comprehensive income, changes in total equity and cash flows for the Group for the three-month and six-month periods then ended, and the statement of changes in total equity of the Company for the three-month period then ended, and certain explanatory notes (the “Condensed Interim Financial Information”). Management is responsible for the preparation and presentation of this Condensed Interim Financial Information in accordance with Singapore Financial Reporting Standard (“FRS”) 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this Condensed Interim Financial Information based on our review.

Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Condensed Interim Financial Information is not prepared, in all material respects, in accordance with FRS 34 *Interim Financial Reporting*.

Restriction on use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the Condensed Interim Financial Information for the purpose of assisting the Company to meet the requirements of the Singapore Exchange Limited Listing Manual and for no other purpose. Our report is included in the Company's announcement of its interim financial information for the information of its members. We do not assume responsibility to anyone other than the Company for our work, for our report, or for the conclusions we have reached in our report.

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
11 April 2014



CONFIRMATION BY THE BOARD
Pursuant to Rule 705(5) of the Listing Manual

We, Lee Boon Yang and Chan Heng Loon Alan, being two directors of Singapore Press Holdings Limited ("the Company"), do hereby confirm on behalf of the directors of the Company, that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial results for the second quarter ended February 28, 2014 to be false or misleading in any material respect.

On behalf of the Directors


LEE BOON YANG
Chairman


CHAN HENG LOON ALAN
Director

Singapore,
April 11, 2014