

Singapore Press Holdings

1H FY14 Financial Results

11 April 2014



Group 1H FY14 financial highlights

	1H FY14 S\$'000	1H FY13 S\$'000	Change %
Operating Revenue	607,239	604,275	0.5
Operating Profit [#]	170,368	198,947	(14.4)
Net (loss)/income from investments	(416)	7,263	NM
Gain on partial divestment of 701Search*	52,863	-	NM
Profit after taxation	187,942	172,729	8.8
Net Profit attributable to shareholders [^]	170,117	170,720	(0.4)

NM: Not meaningful

[#] This represents the recurring earnings of the media and property businesses.

* 701Search is the holding company for the Group's regional online classified business. On 30 September 2013, the Group entered into a strategic partnership agreement which provided for partial sale of stake in 701Search to Telenor. The deal was completed on 3 December 2013.

[^] Net of SPH REIT's profits attributable to non-controlling interests.

Group 1H FY14 financial highlights

Operating Revenue	1H FY14 S\$'000	1H FY13 S\$'000	Change %
Newspaper and Magazine	467,498	487,951	(4.2)
Property	102,486	98,362	4.2
Others	37,255	17,962	NM
	607,239	604,275	0.5

Newspaper and Magazine

- Advertisement revenue fell S\$16.9m (4.5%)
- Circulation revenue declined S\$4.1m (4.3%)

Property

- Higher rental income from Paragon and The Clementi Mall

Others

- Higher revenue boosted by contributions from exhibitions business, sgCarMart (acquired in April 2013) and radio business.

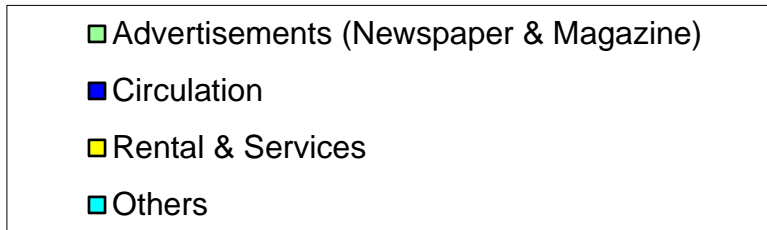
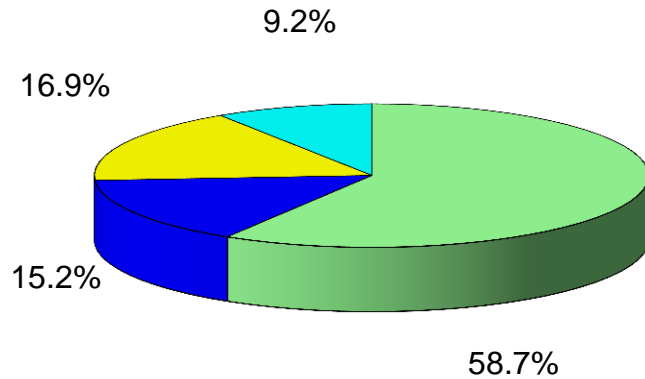
Group 1H FY14 financial highlights

Profit/(Loss) before taxation	1H FY14 S\$'000	1H FY13 S\$'000	Change %	Note
Newspaper and Magazine	118,993	156,998	(24.2)	(a)
Property	65,596	60,428	8.6	(b)
Treasury and Investment	(9,099)	6,880	NM	(c)
Others	41,361	(18,612)	NM	(d)
	216,851	205,694	5.4	

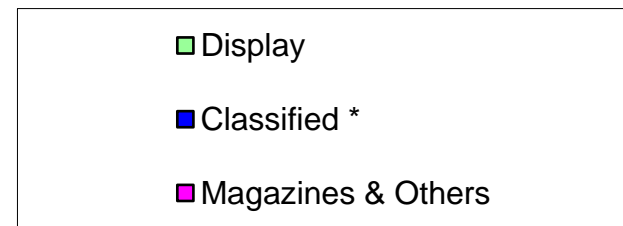
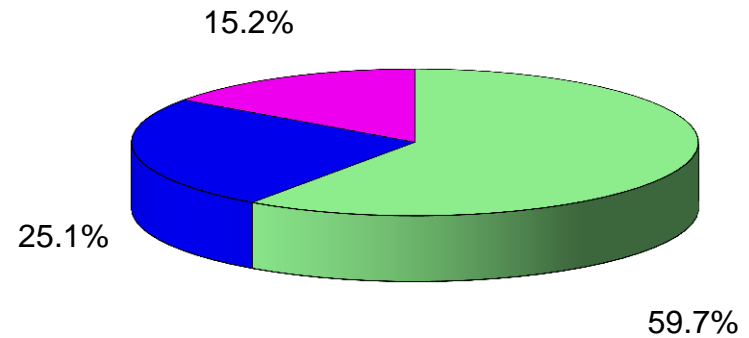
- (a) Results of the Newspaper and Magazine business were impacted by one-off expenses including impairment on a printing press and special bonus payout for prior year. Advertisement and circulation revenue also declined.
- (b) Profit from the Property segment rose in tandem with higher rental income from Paragon and The Clementi Mall, and lower finance costs.
- (c) Treasury performance, before including financing cost of S\$8.4m previously allocated to the Property segment prior to REIT refinancing, was affected by impairment charges on portfolio investments arising from prolonged decline in value.
- (d) The Others segment turned into a profit, lifted by the gain on partial divestment of 701Search, and better performance from the exhibitions, radio and local online classified businesses.

Group 1H FY14 highlights

Operating Revenue Composition
(S\$607.2m)

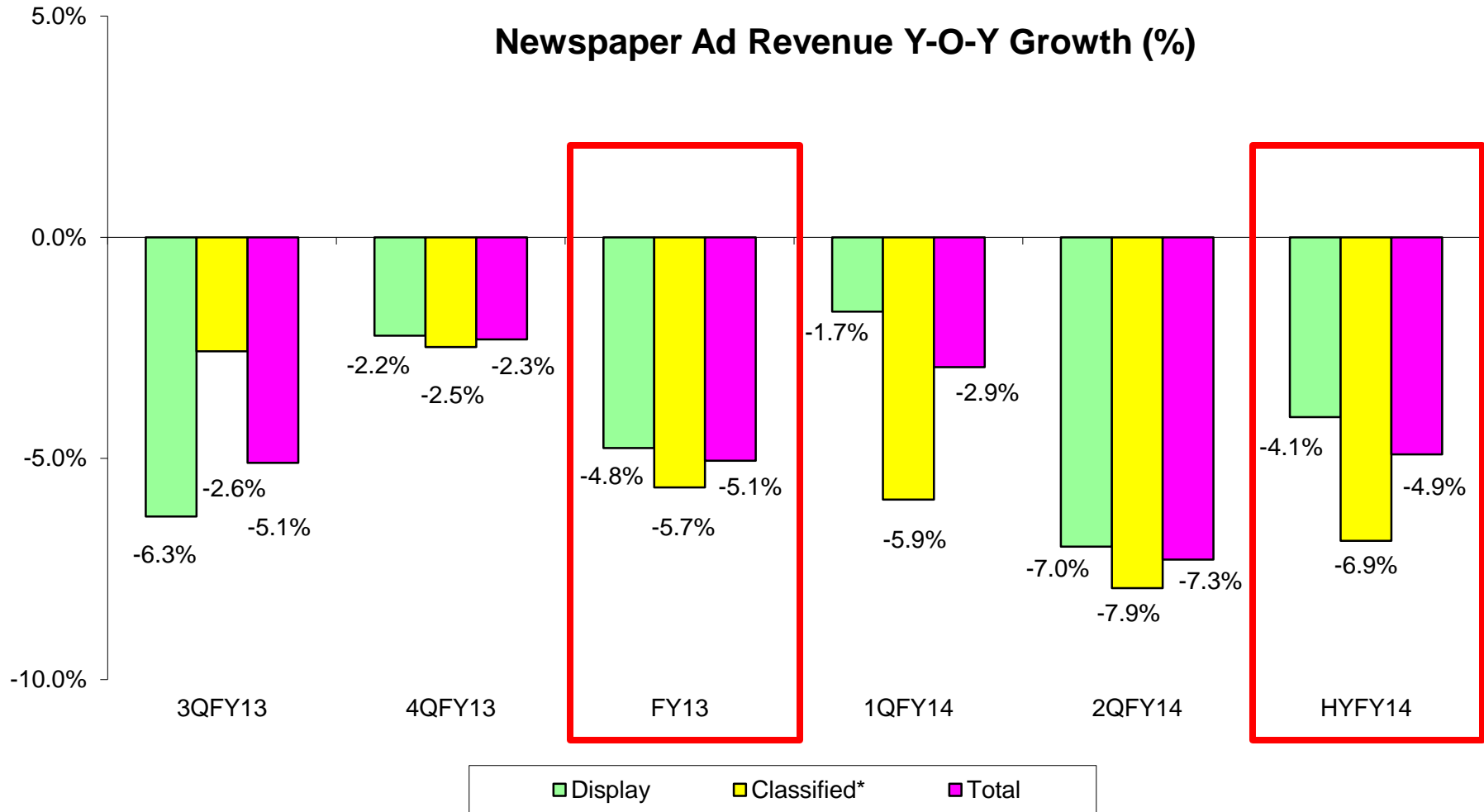


Newspaper and Magazine
Advertisement Revenue Composition
(S\$356.4m)



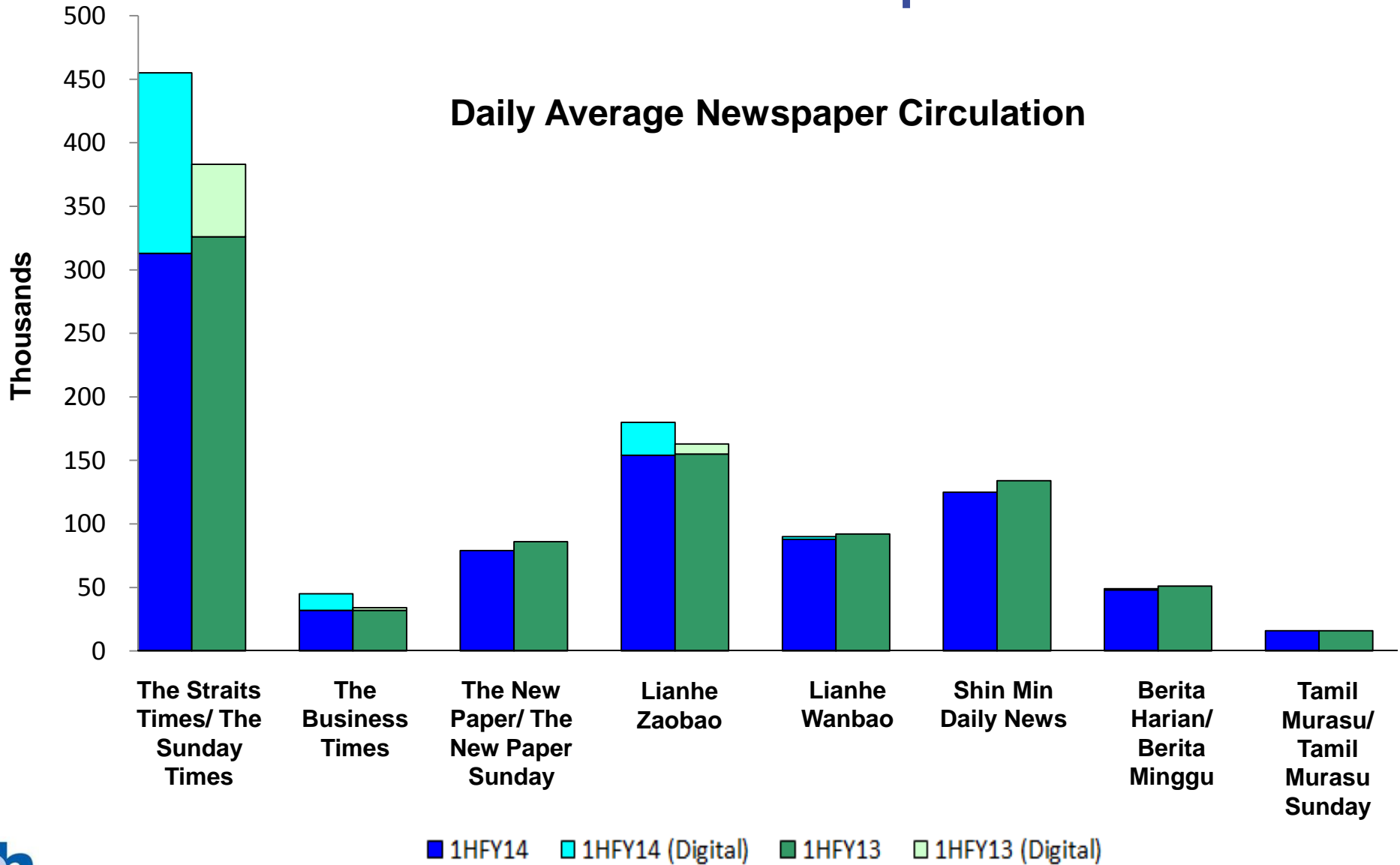
* Classified includes Recruitment and Notices

Ad revenue decline in 1H FY14 is similar to FY13



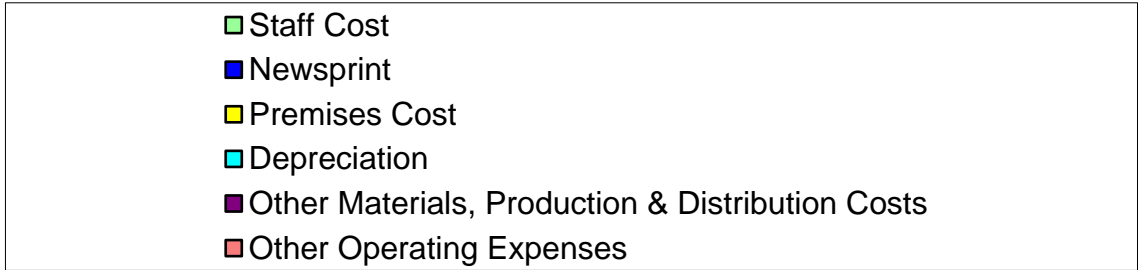
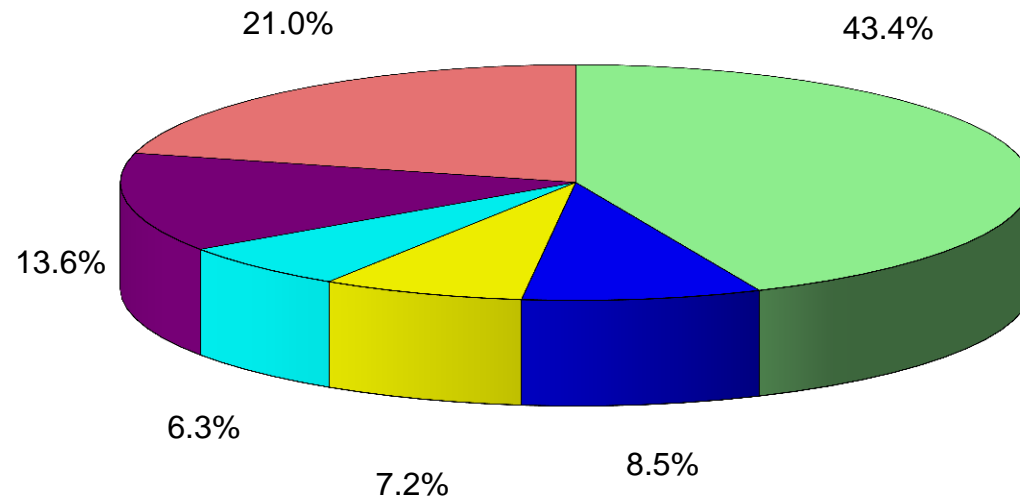
* Classified includes Recruitment and Notices

Digital sales continued to drive growth in circulation copies



Group 1H FY14 highlights

Cost Composition (\$443.4m)



Attaining efficiencies and containing costs

- The Group is on track to deliver cost initiatives which, when implemented, would generate annual cost savings of about S\$19m.
- Operating costs were contained in the current quarter as a result
- Optimisation of printing capacity through the removal of one press line, so as to attain efficiencies and reduce printing costs
- One-off impairment charge of S\$9.9m has been taken up



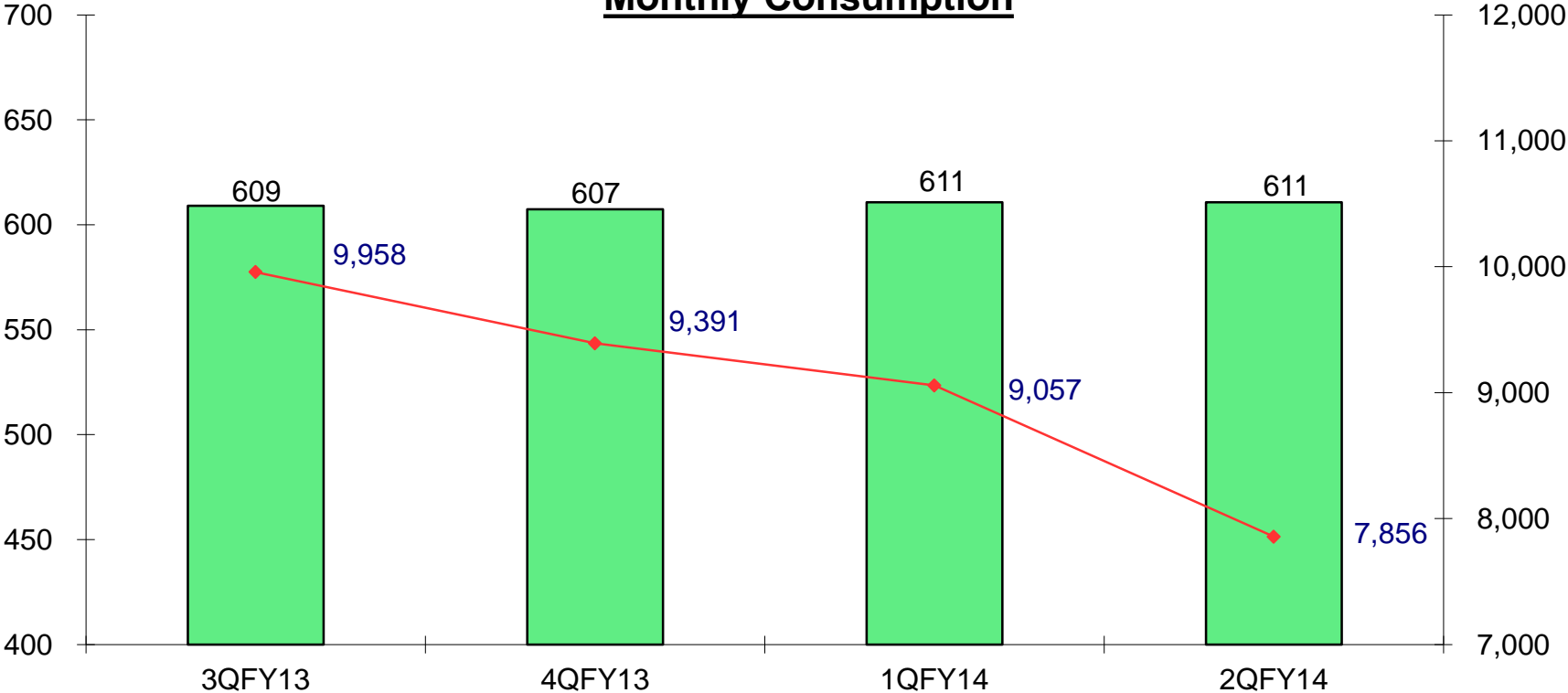
Higher costs mainly from one-off special bonus for prior year

	1H FY14	1H FY13	Change %
Staff Costs (S\$'000)	192,408	174,569	10.2
Average Headcount	4,316	4,270	1.1

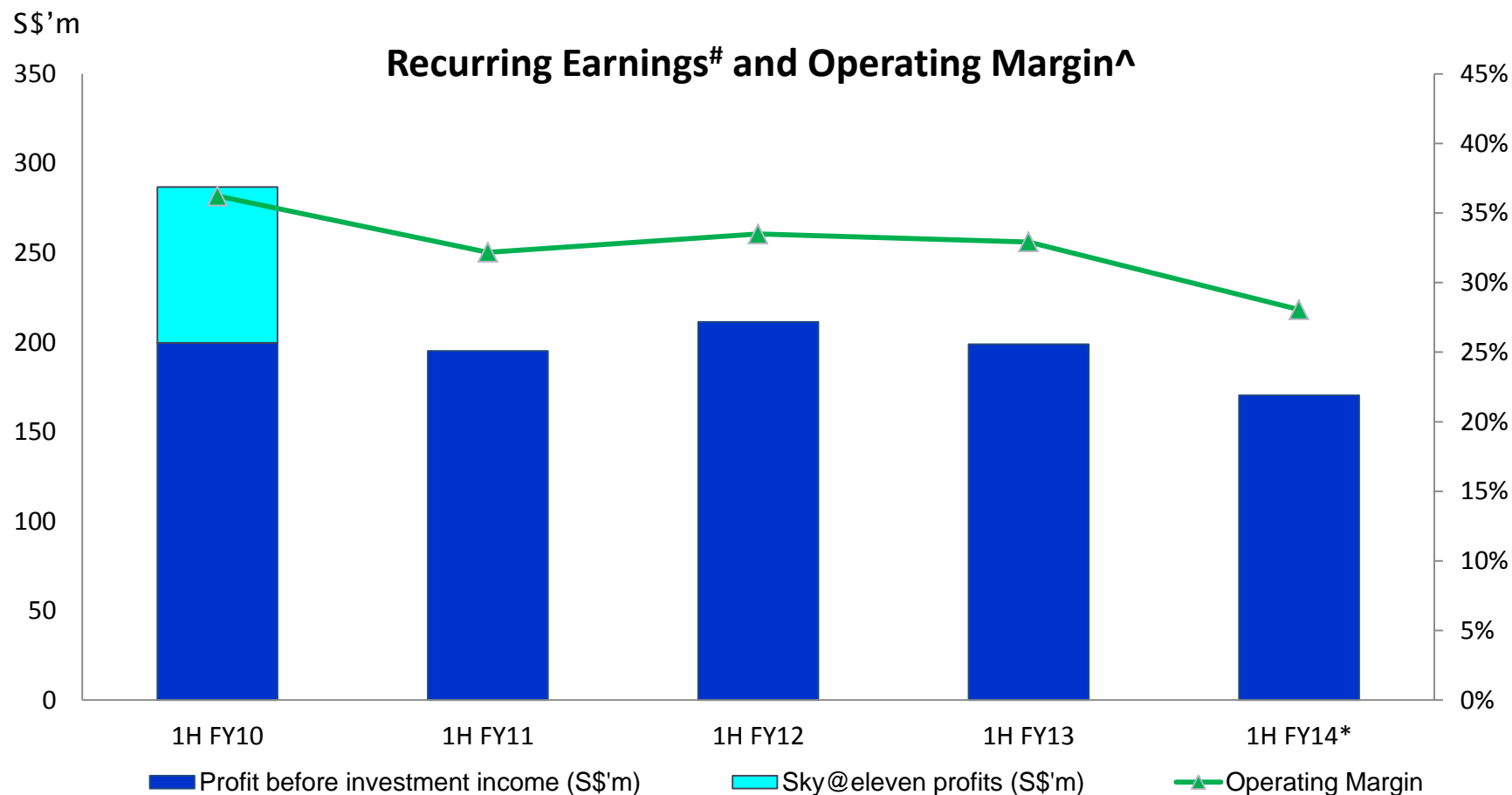
Staff costs were up S\$17.8m mainly due to higher bonus costs including one-off special bonus for prior year (S\$10.4m) arising from REIT profit and incentive to drive growth.

Newsprint prices expected to remain stable in the near term

Average Newsprint Charge-Out Price & Monthly Consumption



Operating margin sustained around 30%



[#] This represents the recurring earnings of the media and property businesses.

[^] Computed based on recurring earnings excluding Sky@eleven.

* Excluding the one-off expenses including impairment on a printing press and special bonus payout for prior year, operating margin for 1H FY14 was above 30%.

Improved performance of Property segment



Paragon



The Clementi Mall

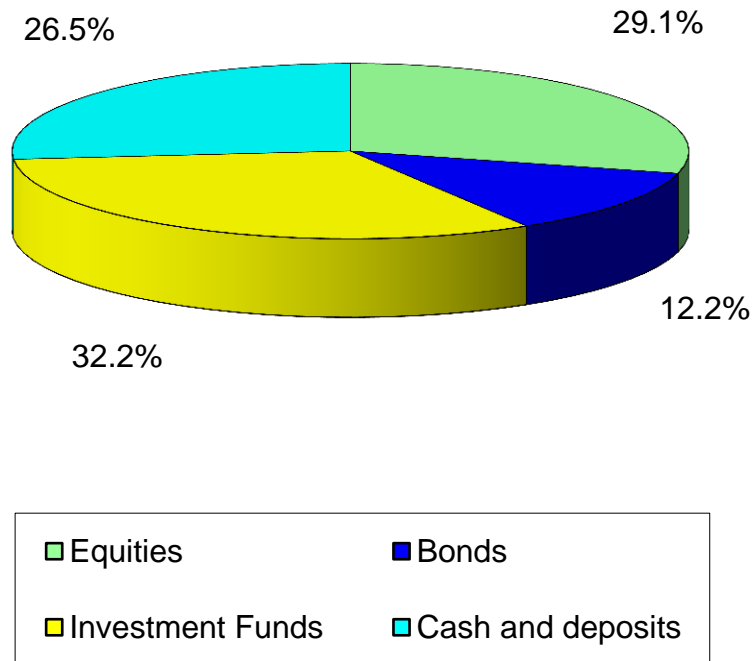


The Seletar Mall

- Higher rental income from Paragon and The Clementi Mall
- Operating Profit before finance costs grew by S\$1.2m (1.7%) against the comparative period
- Will be the largest suburban lifestyle hub in the North-East
- Completed by December 2014

Group investible fund

Group Investible Fund (S\$1.7b)



(As at February 28, 2014)

- Maintain conservative stance on investment allocation, focused on capital preservation
- Returns are expected to be commensurate with low risk-return profile to mitigate against volatility

Online Classified business continued to enjoy strong growth in traffic



- ◆ Top online classified website in Malaysia, with 780 million monthly page views¹



- ◆ No. 1 classified website in Vietnam
- ◆ Monthly page views close to 200 million¹



- ◆ No. 2 classified website in Indonesia, with monthly page views above 470 million¹



- ◆ No. 2 classified website in the Philippines, with monthly page views exceeding 230 million¹

Data source:
¹ Xiti, February 14

Restructuring and Transforming SPH (Cont'd)

- The Group is embarking on its transformation process from a position of strength
- With a leaner and more agile organisation structure, we are well poised to address the challenges ahead and pursue growth opportunities

Interim dividend

The Board has declared
an interim dividend of 7 cents per share

Thank you

Please visit www.sph.com.sg for more information.