

Singapore Press Holdings Limited



3Q 2016 Financial Results
July 15, 2016

Group 3Q 2016 financial highlights

| | 3Q 2016 S\$'000 | 3Q 2015 S\$'000 | Change % |
|---|--------------------|--------------------|-------------|
| Operating revenue | 291,579 | 306,789 | (5.0) |
| Operating profit [#] | 60,770 | 105,192 | (42.2) |
| Investment income | 18,672 | 23,986 | (22.2) |
| Profit after taxation | 61,980 | 107,896 | (42.6) |
| Net profit attributable to shareholders | 52,656 | 98,214 | (46.4) |

The results for 3Q 2016 included impairment charges for goodwill and intangibles of S\$28.4m (3Q 2015: S\$1.1m). These related primarily to the magazine business due to unfavourable market conditions.

Excluding the impairment charges, operating profit would have fallen by S\$17.1m (16.1%).

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

Group YTD 3Q 2016 financial highlights

| | YTD 3Q 2016 S\$'000 | YTD 3Q 2015 S\$'000 | Change % |
|---|------------------------|------------------------|-------------|
| Operating revenue | 847,081 | 884,139 | (4.2) |
| Operating profit [#] | 227,877 | 275,529 | (17.3) |
| Investment income | 36,230 | 44,868 | (19.3) |
| Profit after taxation | 216,789 | 265,352 | (18.3) |
| Net profit attributable to shareholders | 188,111 | 237,186 | (20.7) |

The results for YTD 3Q 2016 included impairment charges for goodwill and intangibles of S\$28.4m (YTD 3Q 2015: S\$1.1m). These related primarily to the magazine business due to unfavourable market conditions.

Excluding the impairment charges, operating profit would have fallen by S\$20.4m (7.4%).

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

Group YTD 3Q 2016 financial highlights

| Operating Revenue | YTD 3Q 2016 S\$'000 | YTD 3Q 2015 S\$'000 | Change % |
|-------------------|------------------------|------------------------|--------------|
| Media | 630,236 | 680,326 | (7.4) |
| Property | 181,138 | 171,382 | 5.7 |
| Others | 35,707 | 32,431 | 10.1 |
| | 847,081 | 884,139 | (4.2) |

Media

- Advertisement revenue fell S\$45.3m (8.9%)
- Circulation revenue fell S\$3.9m (3%)

Property

- Boosted by The Seletar Mall which commenced business on November 28, 2014

Others

- Higher revenue from exhibitions and online classifieds business

Group YTD 3Q 2016 financial highlights

| Profit/(Loss) before taxation | YTD 3Q 2016 S\$'000 | YTD 3Q 2015 S\$'000 | Change % |
|-------------------------------|------------------------|------------------------|---------------|
| Media | 133,900 | 193,871 | (30.9) |
| Property | 111,268 | 109,091 | 2.0 |
| Treasury and Investment | 33,944 | 35,184 | (3.5) |
| Others | (19,052) | (24,757) | (23.0) |
| | 260,060 | 313,389 | (17.0) |

Media

- Revenue declines partially mitigated by lower production and staff costs
- Included impairment charges relating to the magazine business

Property

- Profit increase mainly from The Seletar Mall

Treasury and Investment

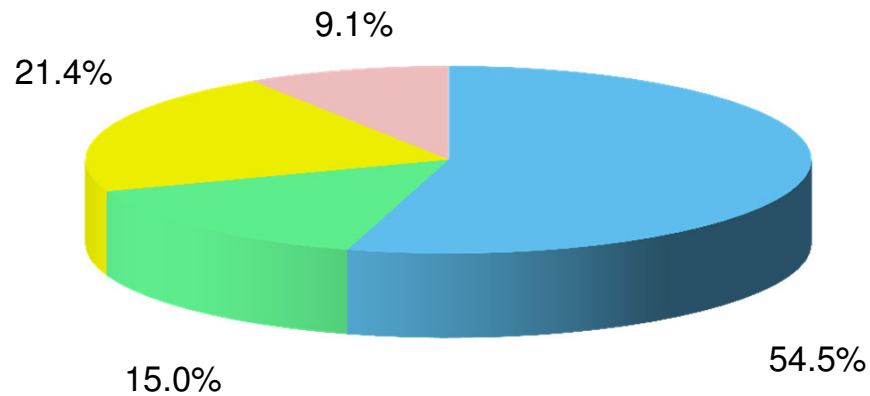
- Investment income decrease cushioned by savings in interest costs on Medium Term Notes redemption

Others

- Reduced losses from online classifieds business

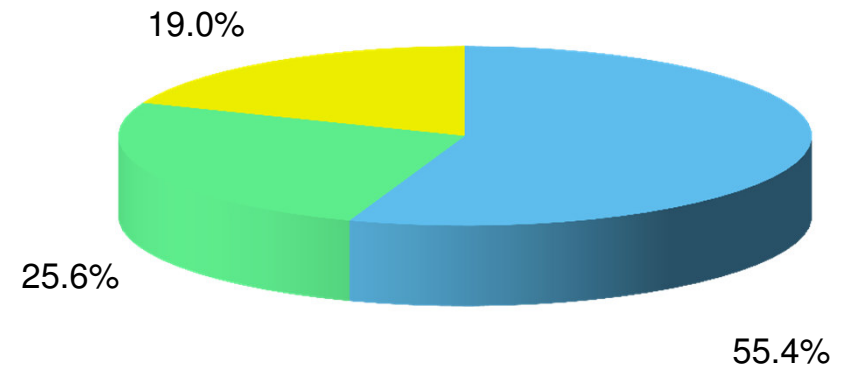
Group YTD 3Q 2016 highlights

Operating Revenue Composition
(S\$847.1m)



- Advertisements (Media)
- Circulation
- Rental & Services
- Other revenue

Media
Advertisement Revenue Composition
(S\$461.8m)

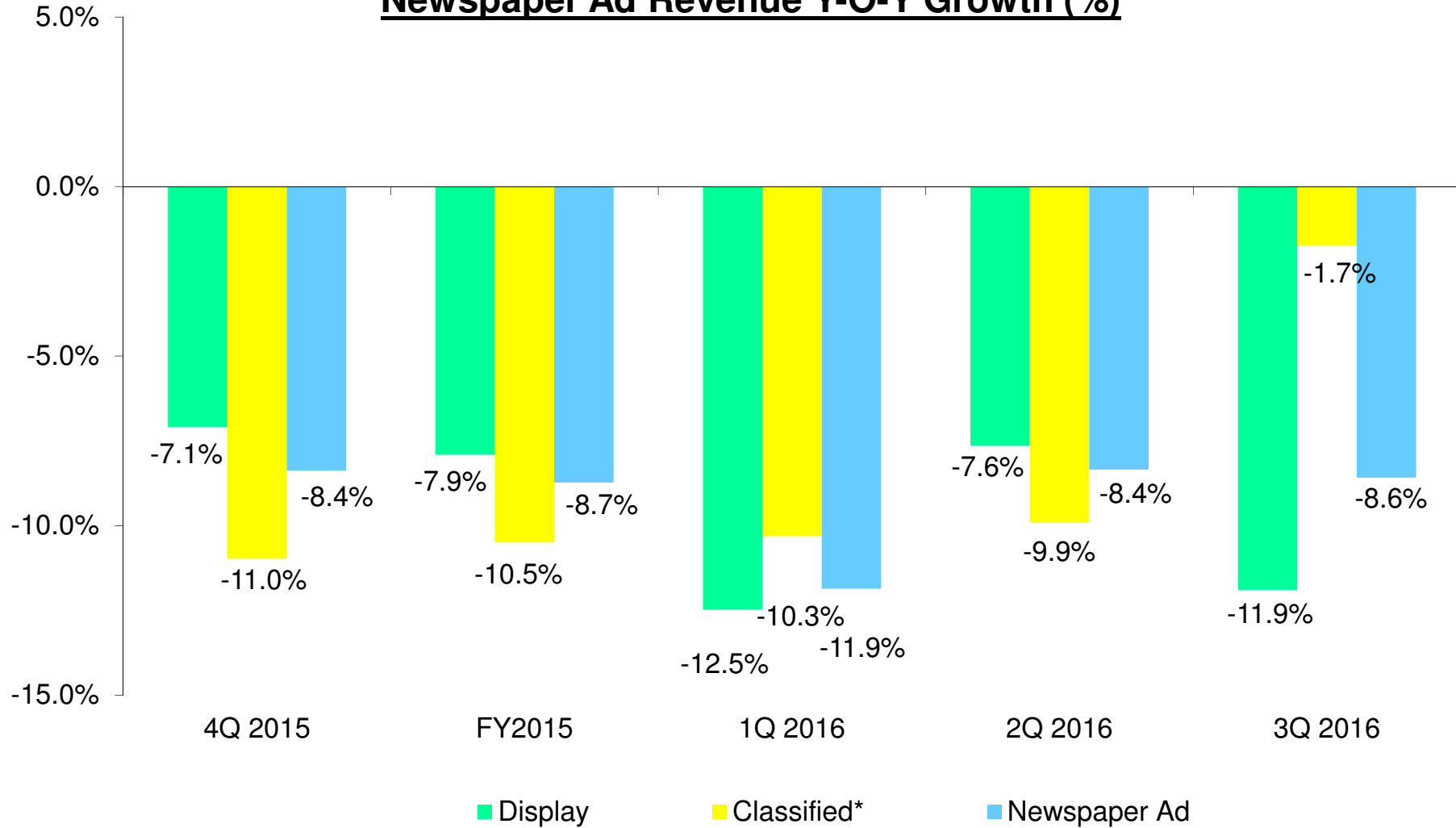


- Display
- Classified*
- Magazines & Others

* Classified includes Recruitment and Notices

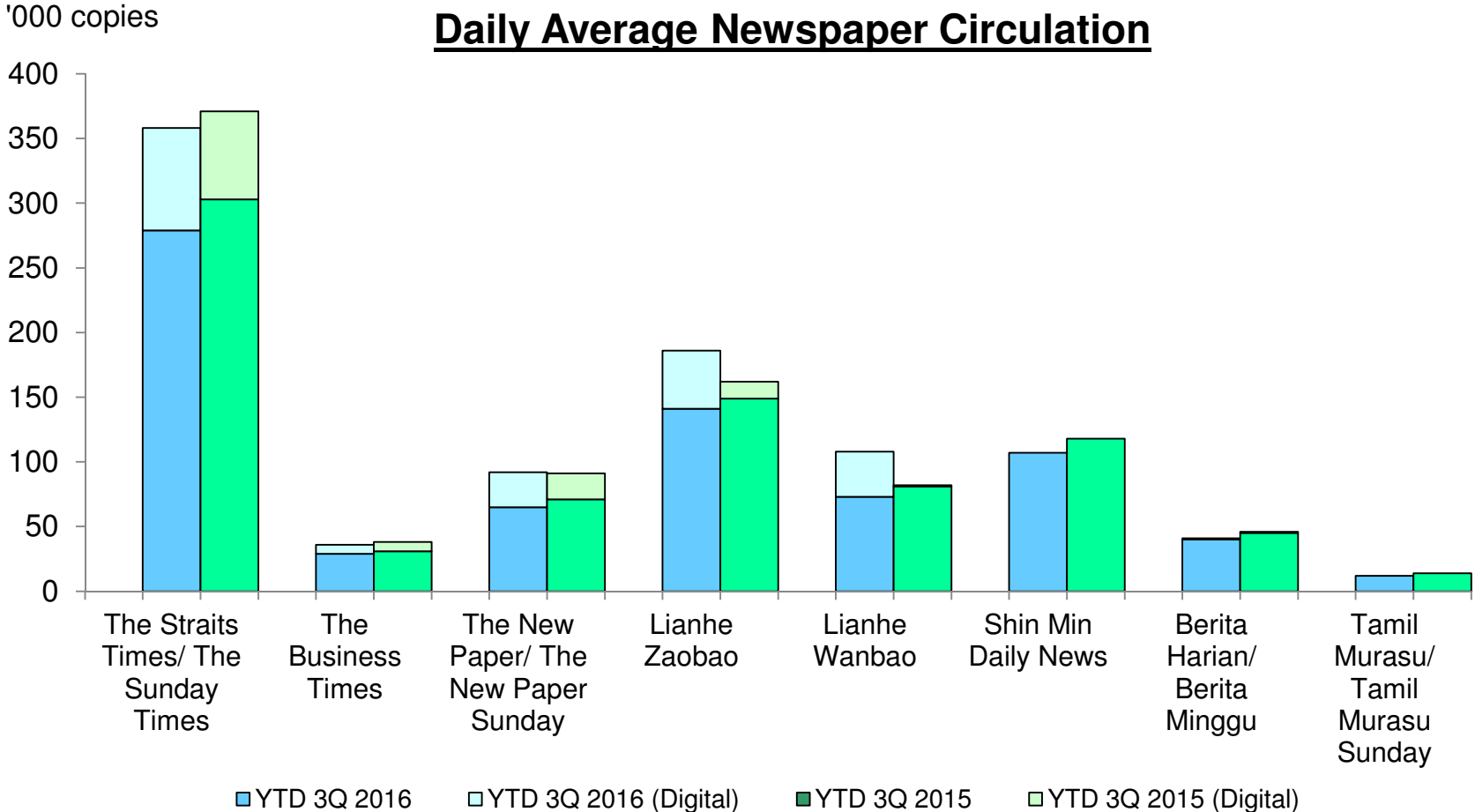
Sluggish advertising market

Newspaper Ad Revenue Y-O-Y Growth (%)



* Classified includes Recruitment and Notices

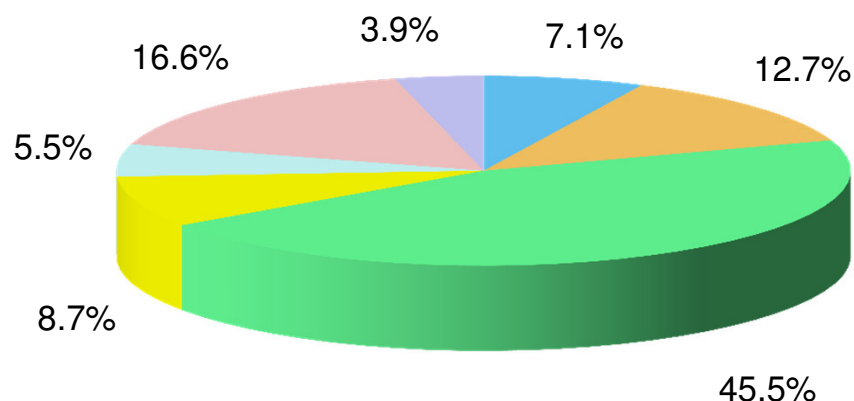
Circulation sustained by digital



With effect from March 1, 2016, all subscriptions to our All-in-One packages (where subscribers get a home-delivered print copy, in addition to access to the respective paper's online, smartphone and tablet editions) are counted as the sale of one print copy and one digital copy. Prior to March 1, 2016, such subscriptions were counted as the sale of one print copy and three digital copies, with the proviso being the Audit Bureau of Circulation (ABC) rule that each additional digital edition had to be priced at 5 per cent more than the base (print copy) price. With the implementation of new cover prices of our newspapers and All-in-One packages on March 1, 2016, we have had to change the basis of our circulation count and have obtained ABC's endorsement for the new method. For comparative purposes, copy sales prior to March 1, 2016 had been restated accordingly.

Operating costs contained

YTD 3Q 2016
Cost Composition[^]
(S\$609.4m)



- Newsprint
- Other Materials, Production & Distribution Costs
- Staff Cost
- Premises Cost
- Depreciation
- Other Operating Expenses
- Finance Costs

| | |
|--|---------|
| Newsprint | ↓ 11.0% |
| Other Materials, Production & Distribution Costs | ↓ 5.3% |
| Staff Costs | ↓ 0.4% |
| Premises Costs* | ↑ 5.5% |
| Other Operating Expenses | ↑ 0.9% |

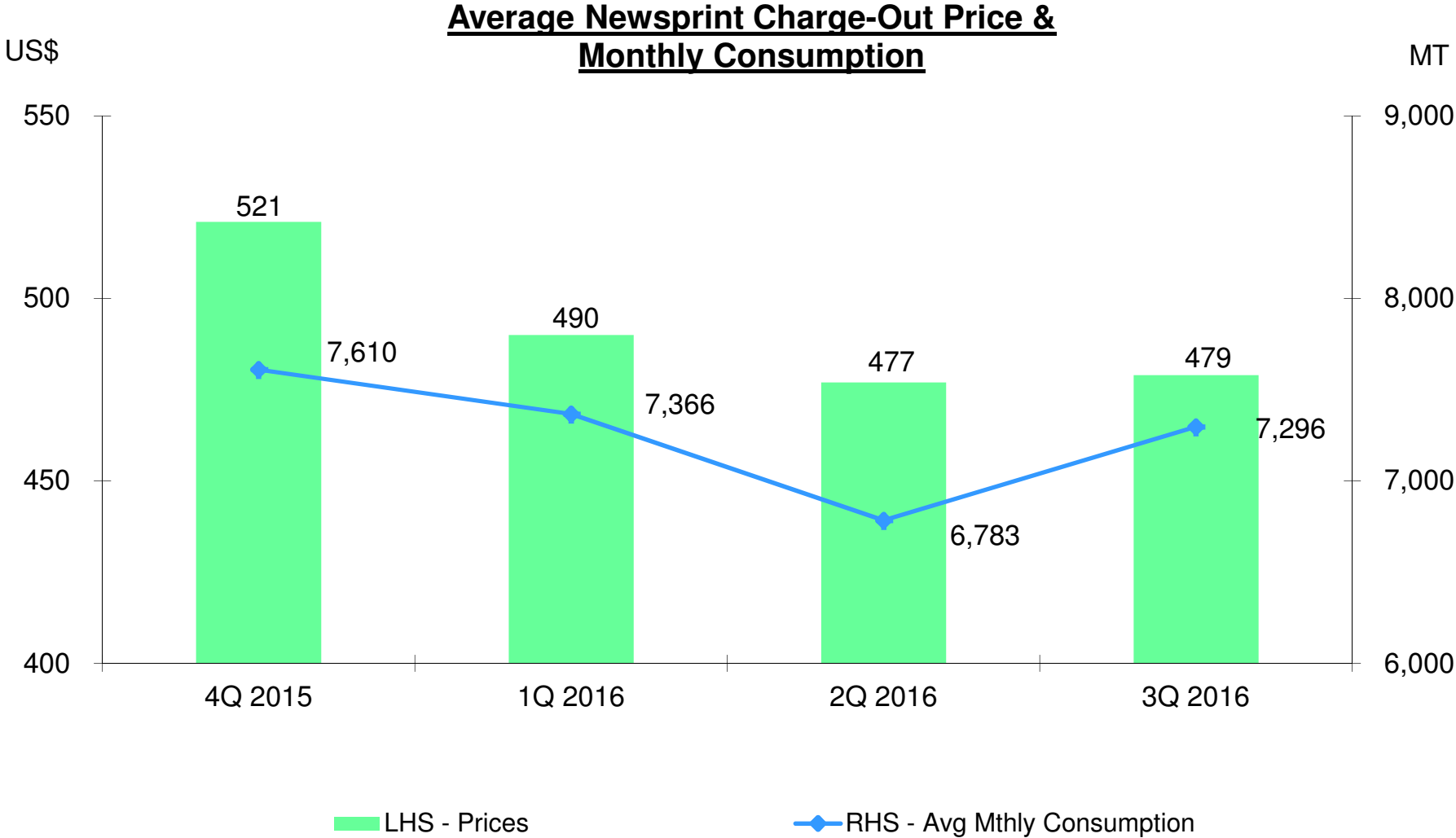
* Increase was due to additional provision for property tax on the Group's investment property.

[^] Excluded impairment charges on goodwill and intangibles

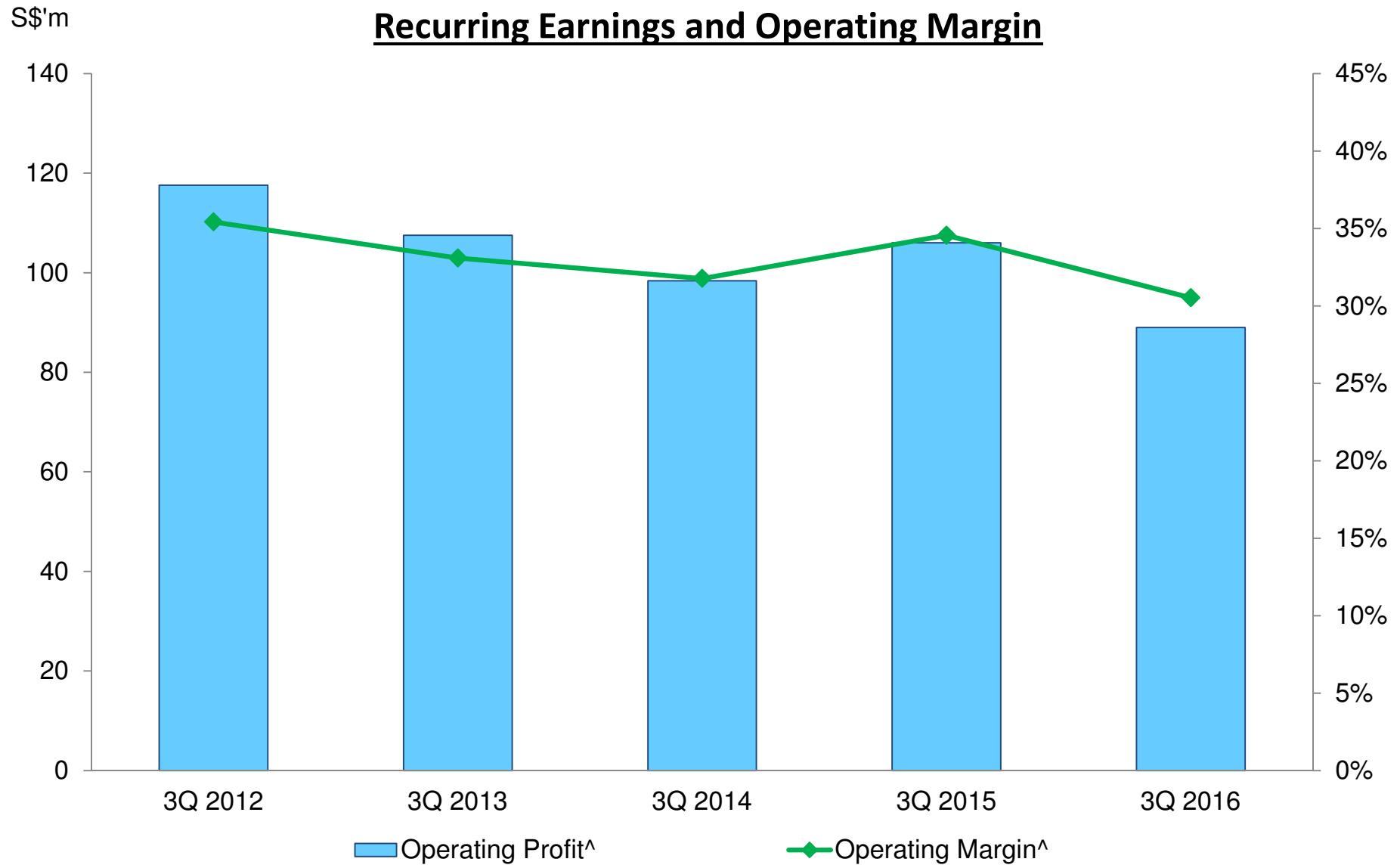
Staff costs flat

| | YTD 3Q 2016 | YTD 3Q 2015 | Change % |
|-------------------------|-------------|-------------|-------------|
| Headcount as at end-May | 4,229 | 4,262 | (0.8) |
| Staff Costs (\$\$'000) | 277,384 | 278,614 | (0.4) |

FY2016 charge-out expected to remain at current level



Operating margin maintained at around 30%



[^] Excluded impairment charges on goodwill and intangibles.

Property performance lifted by The Seletar Mall



Paragon



The Clementi Mall

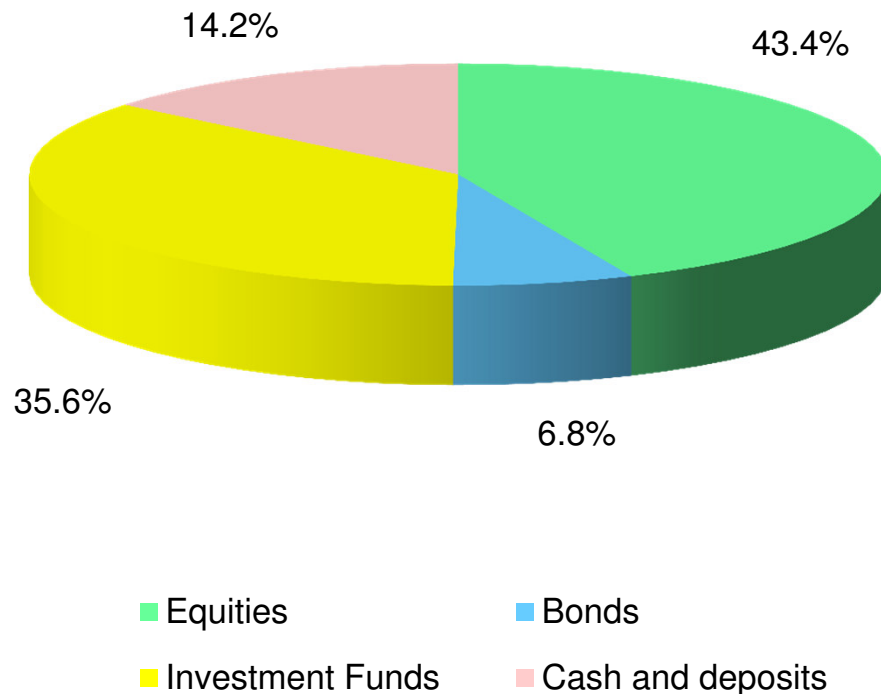


The Seletar Mall

- Net Property Income (NPI) grew 5.8% to S\$133.8m
- Boosted by The Seletar Mall which commenced business on November 28, 2014
- Paragon and The Clementi Mall also recorded higher rental income

Group investible fund

Group Investible Fund
(S\$1.1b)



(As at May 31, 2016)

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

Thank you

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