



MEDIASCAPE
Maintaining Focus in an Evolving Mediascape
Annual Report 2016

Singapore Press Holdings Limited

FY2016

**Financial Results
October 14, 2016**



Group FY2016 financial highlights

	FY2016 S\$'000	FY2015 S\$'000	Change %
Operating revenue	1,124,349	1,177,080	(4.5)
Operating profit [#]	305,169	353,500	(13.7)
Fair value change on investment properties	11,823	36,258	(67.4)
Investment income	51,753	51,707	0.1
Profit after taxation	306,139	370,422	(17.4)
Net profit attributable to shareholders	265,293	321,701	(17.5)

The results for FY2016 included impairment charges for goodwill and intangibles of S\$28.4m (FY2015: S\$9.1m). These related primarily to the magazine business due to unfavourable market conditions.

Excluding the impairment charges, net profit would have fallen by S\$37.1m (11.2%).

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

Group FY2016 financial highlights

Operating Revenue	FY2016 S\$'000	FY2015 S\$'000	Change %
Media	834,221	902,506	(7.6)
Property	241,310	230,751	4.6
Others	48,818	43,823	11.4
	1,124,349	1,177,080	(4.5)

Media

- Advertisement revenue fell S\$61.5m (9.2%)
- Circulation revenue fell S\$5.3m (3%)

Property

- Higher rental and services revenue from the Group's retail assets

Others

- Higher revenue from exhibitions and online classifieds businesses

Group FY2016 financial highlights

Profit/(Loss) before taxation	FY2016 S\$'000	FY2015 S\$'000	Change %
Media	175,204	241,480	(27.4)
Property	149,586	149,683	(0.1)
Treasury and Investment	48,833	41,377	18.0
Others	(24,405)	(38,553)	(36.7)
	349,218	393,987	(11.4)
Fair value change on investment properties	11,823	36,258	(67.4)
	361,041	430,245	(16.1)

Media

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

Treasury and Investment

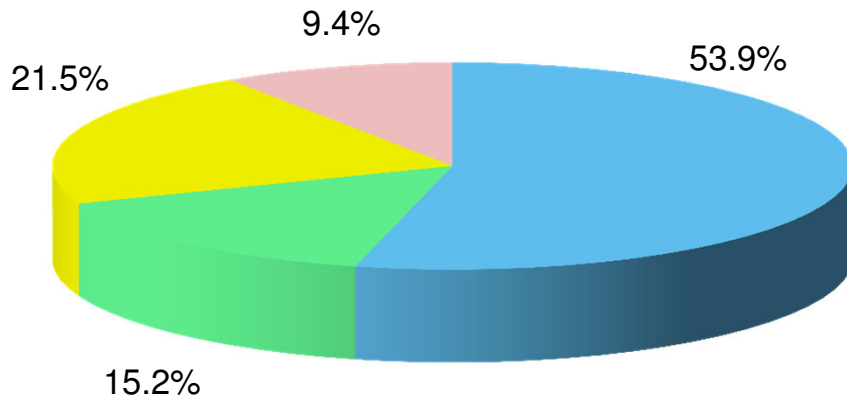
- Included savings in interest costs on Medium Term Notes redemption

Others

- Reduced losses from online classifieds business

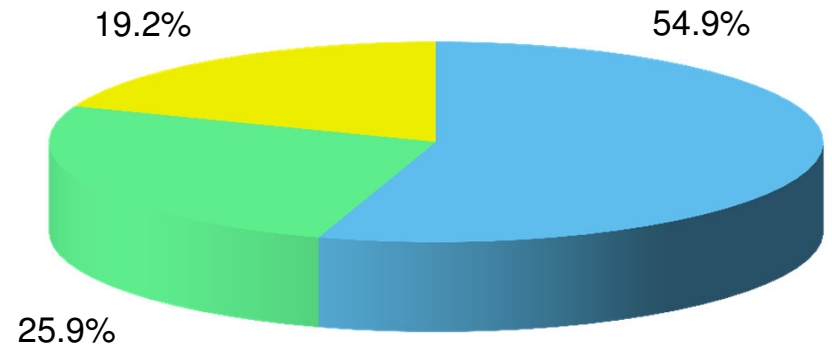
Group FY2016 highlights

Operating Revenue Composition
(S\$1,124.3m)



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

Media
Advertisement Revenue Composition
(S\$606.5m)

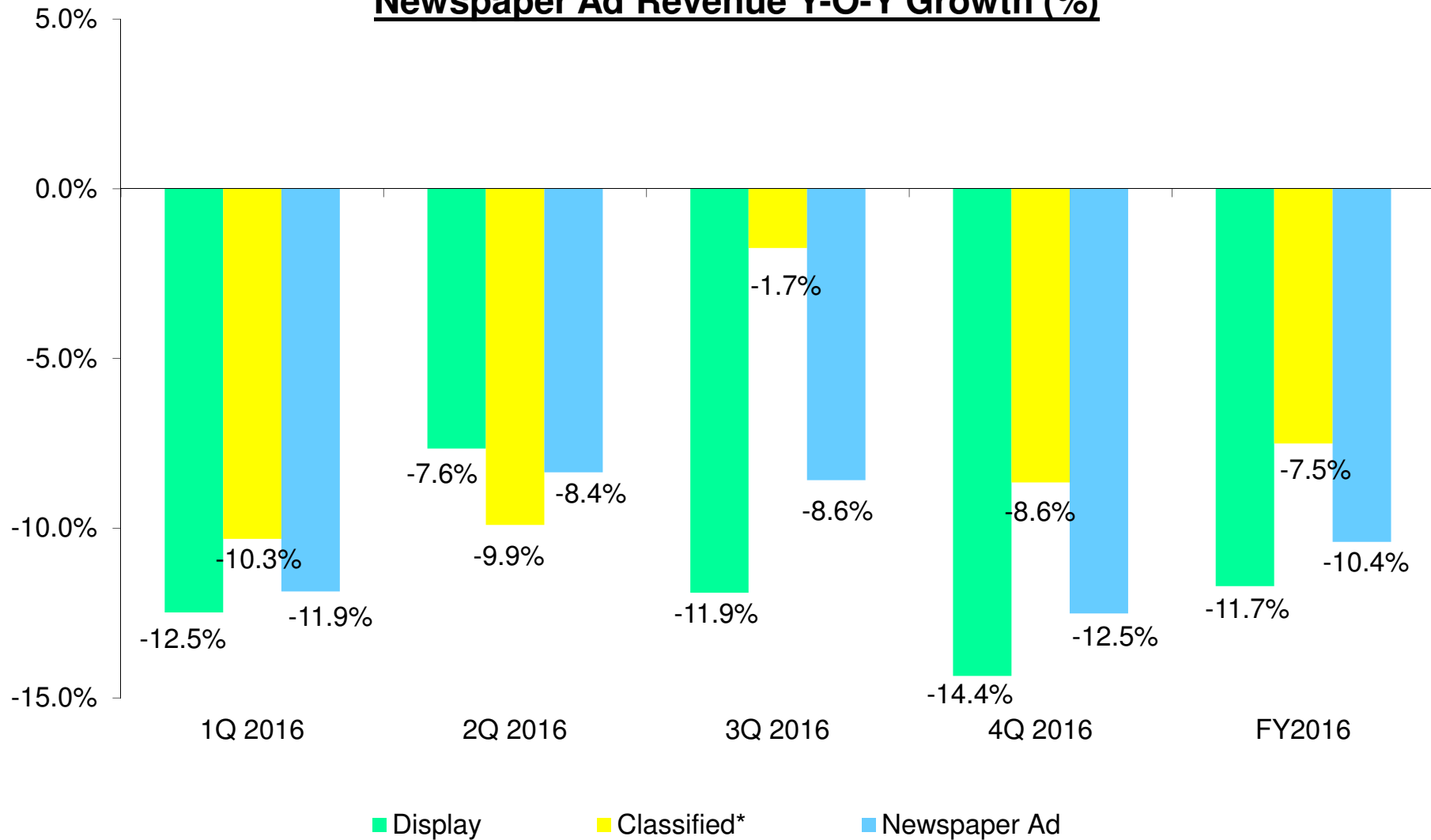


- Display
- Classified*
- Magazines & Others

* Classified includes Recruitment and Notices

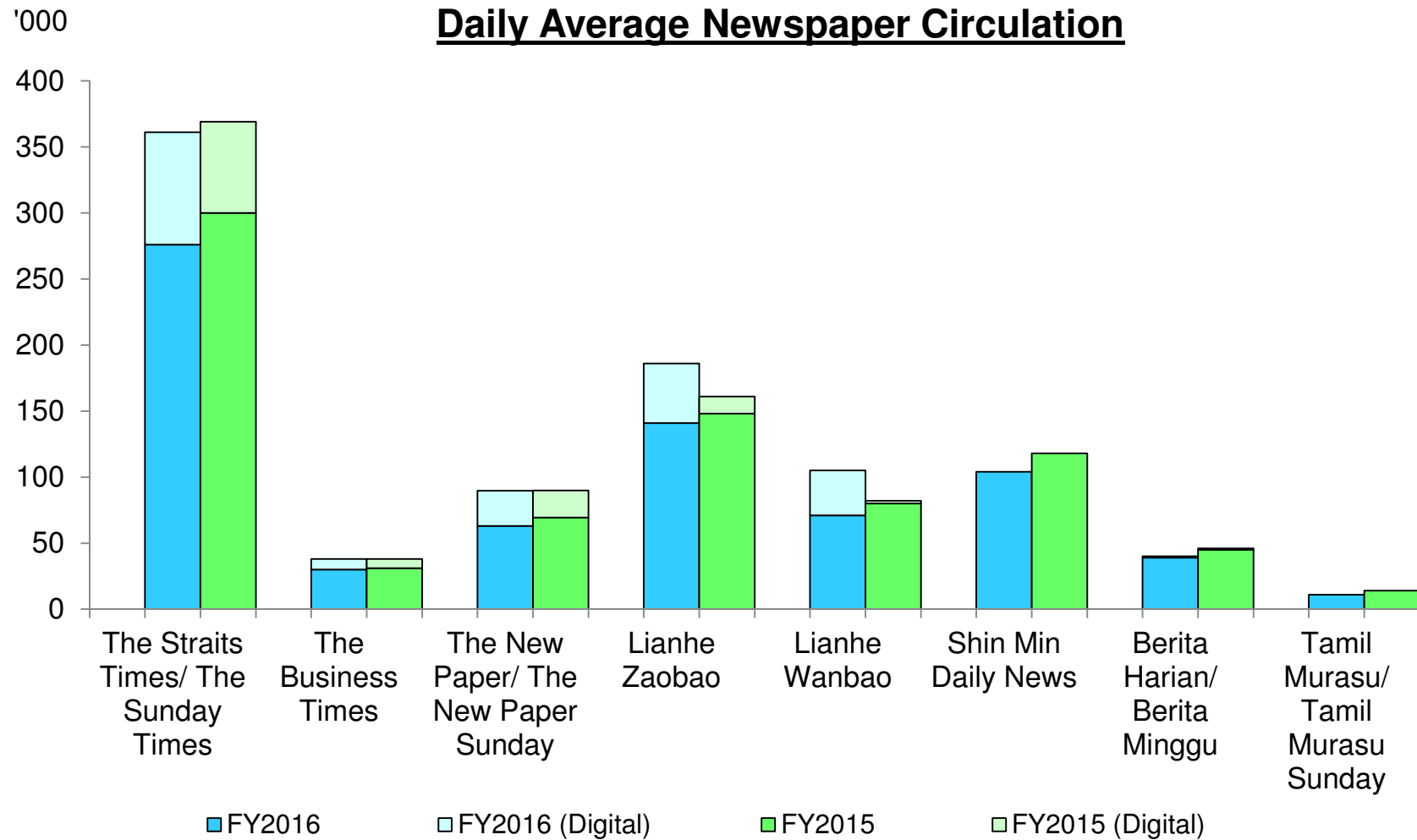
Weak advertising market

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



* Classified includes Recruitment and Notices

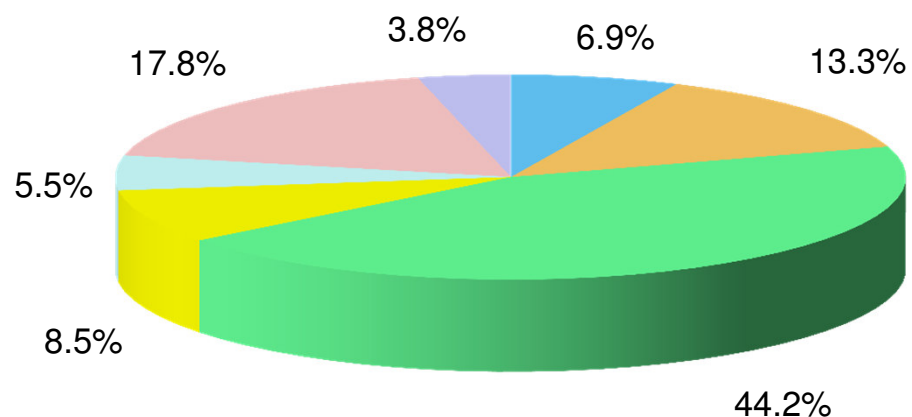
Circulation sustained by digital



With effect from March 1, 2016, all subscriptions to our All-in-One packages 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, in line with Audit Bureau of Circulation's (ABC) rules. 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 for FY2015 had been restated accordingly.

Operating expenditure fell by 2.7%

FY2016 Operating Expenditure*
Cost Composition
(S\$819.6m)



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

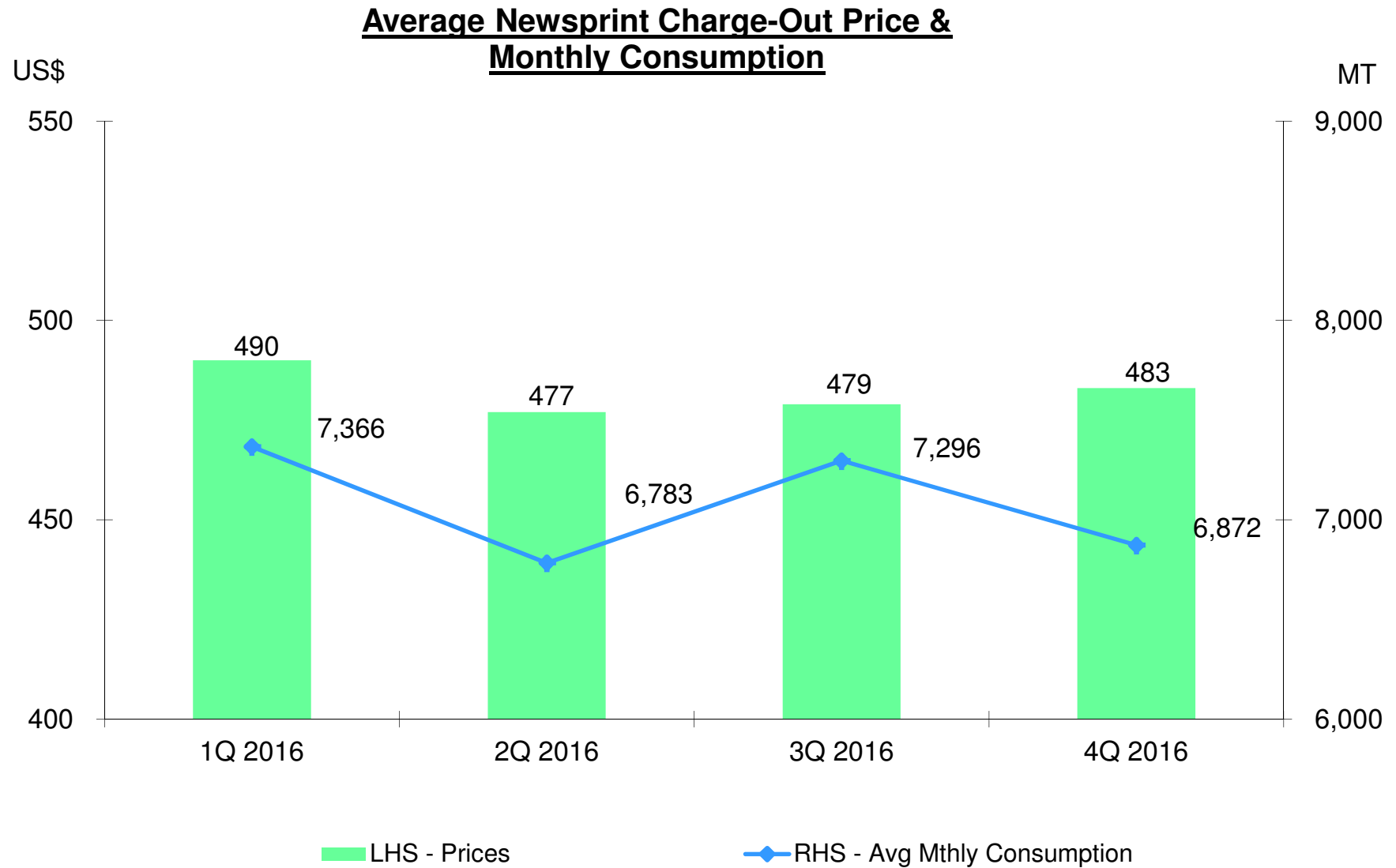
	S\$m
Newsprint	↓ 6.9
Other Materials, Production & Distribution Costs	↓ 3.6
Staff Costs	↓ 9.1
Premises Costs	↑ 1.8
Other Operating Expenses	↑ 2.4

* Excluded impairment charges on goodwill and intangibles

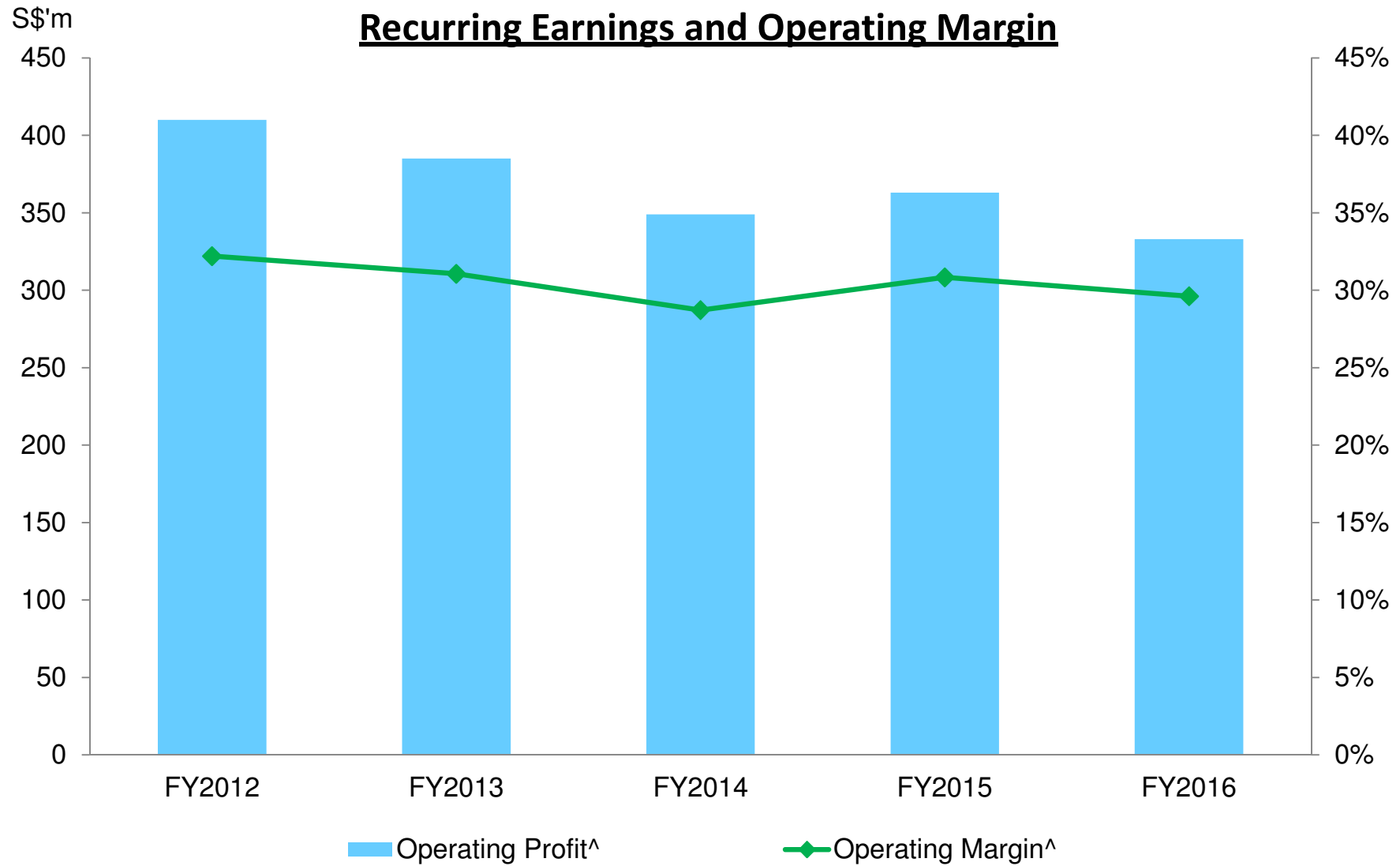
Reduction in staff costs

	FY2016	FY2015	Change %
Headcount as at end-August	4,182	4,237	(1.3)
Staff Costs (\$\$'000)	362,551	371,610	(2.4)

Newsprint prices expected to strengthen



Operating margin maintained at around 30%



[^] Excluded impairment charges on goodwill and intangibles.

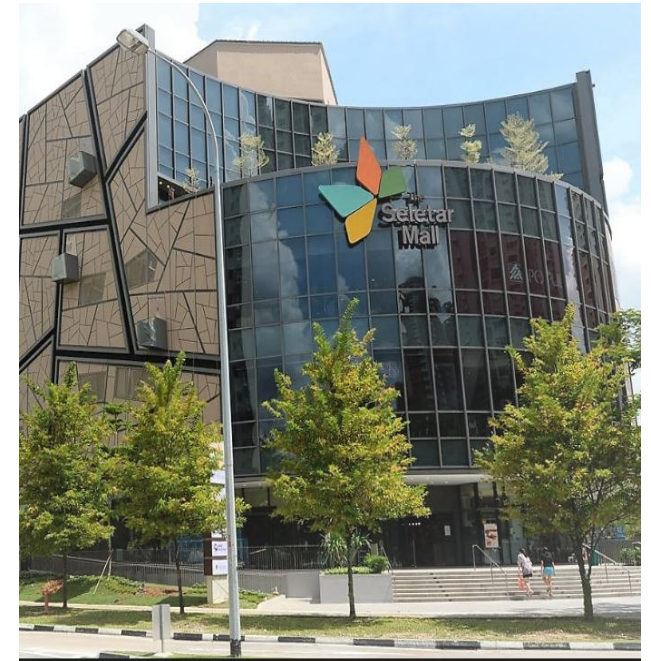
Property performance lifted by The Seletar Mall



Paragon



The Clementi Mall

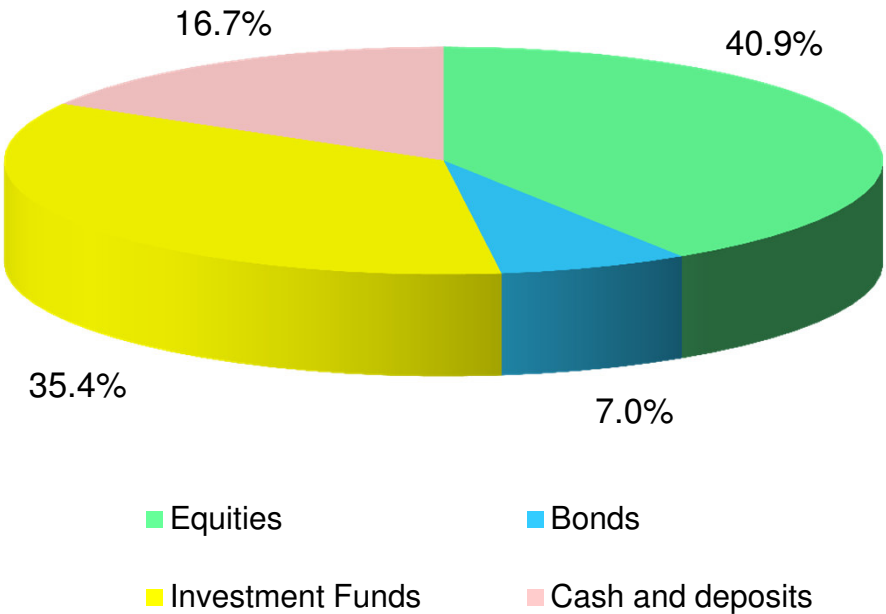


The Seletar Mall

- Net Property Income (NPI) grew 3.1% to S\$179.4m
- Improved performance from all 3 malls
- Market value for Paragon (freehold) , The Clementi Mall and The Seletar Mall at S\$2.778b, S\$574m and S\$495m respectively

Group investible fund

Group Investible Fund
(S\$1.2b)



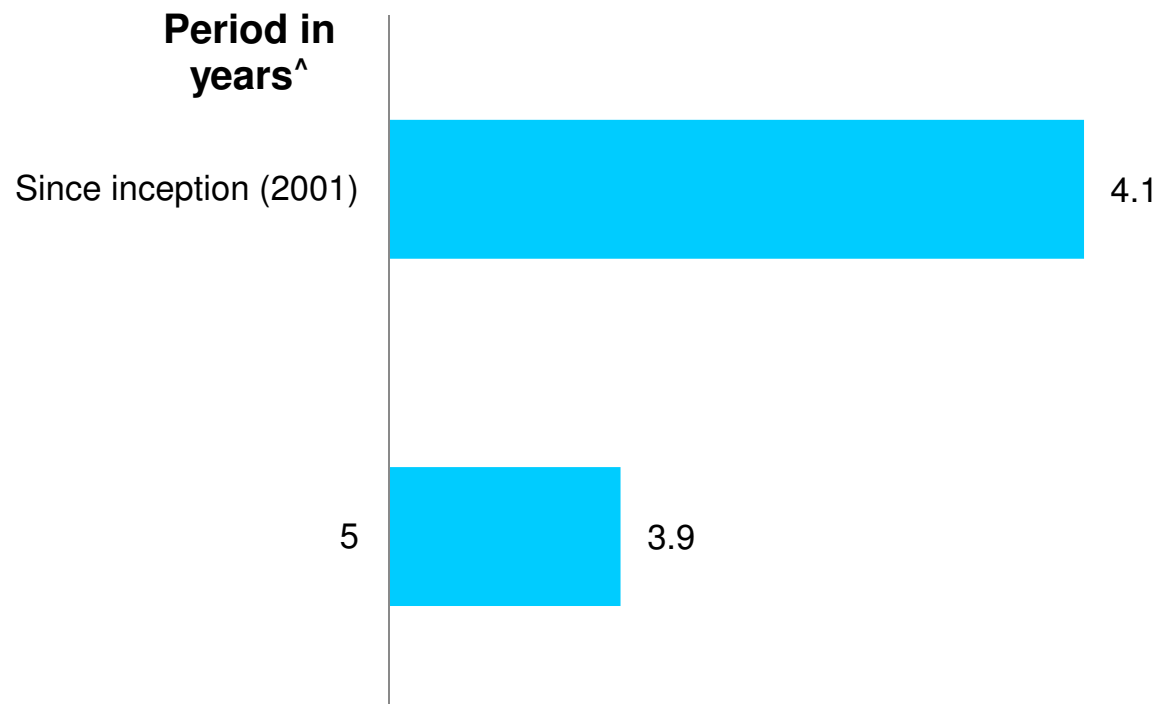
(As at August 31, 2016)

- 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

Portfolio Investment Performance

4.1%

annualised return since inception



^ As at August 31, 2016

Digital Performance

>50%

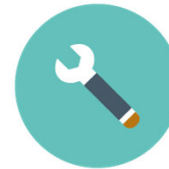
Increase in digital revenue from FY2013 to FY2016



Selling digital audiences, not just platforms

>20

New digital products launched



Embedded new digital skillsets

>30

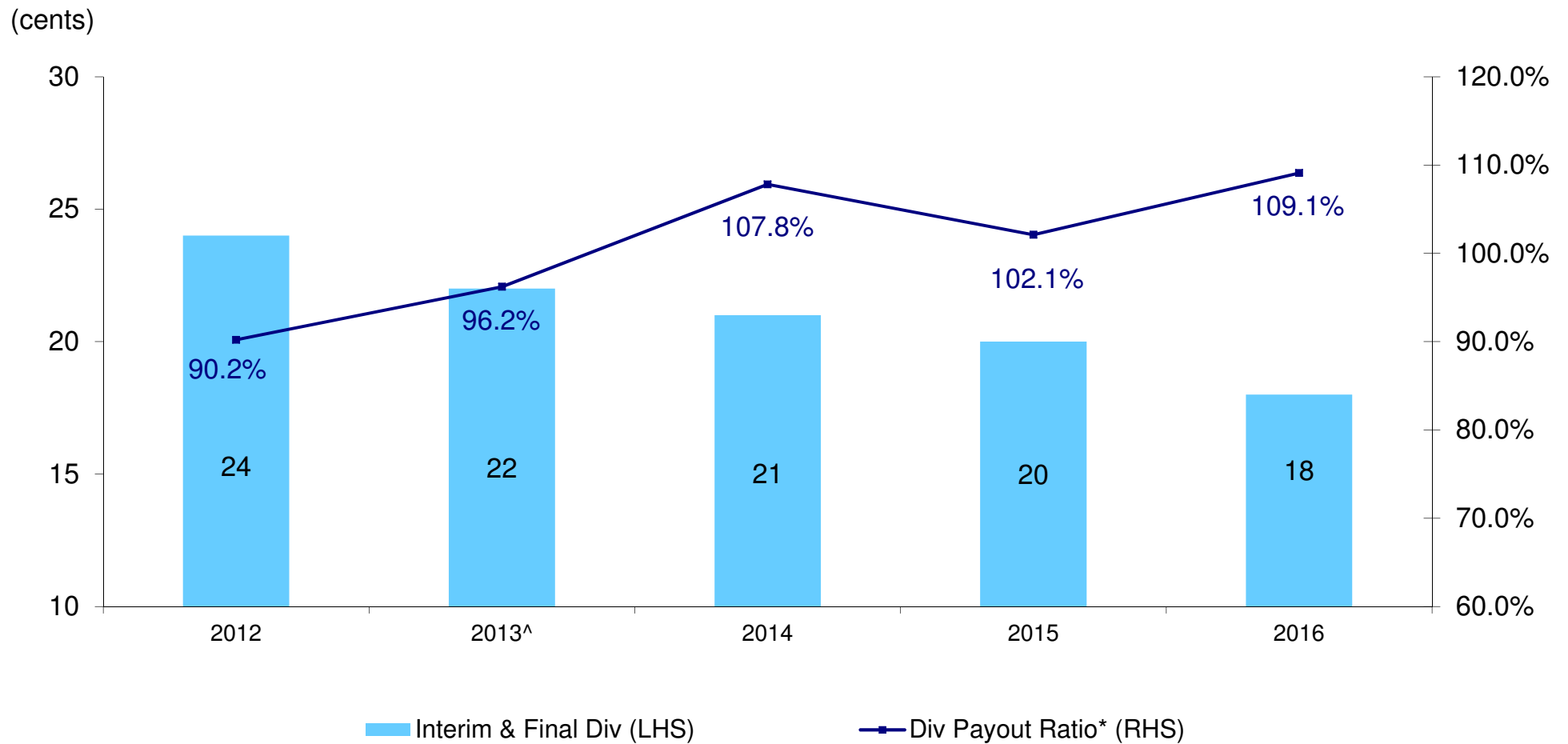
New/revamped apps



Implemented Agile across digital products

Declared dividend per share of 18 cents

7 cents interim, 11 cents final



* Computed based on Group recurring earnings net of non-controlling interests of the Property segment

[^] Excludes special dividend of 18 cents paid pursuant to the establishment of SPH REIT

Thank you

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