



## **SINGAPORE PRESS HOLDINGS LIMITED**

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

### **SPH REPORTS STEADY OPERATING PROFIT FOR FY2018 DESPITE LOWER OPERATING REVENUE**

- *Driving growth in the core Media business with new digital initiatives;*
- *New recurring income stream, with the acquisition of Purpose-Built Student Accommodation assets in the UK*
- *Proposed Final Dividend of 7 cents per share, comprising a Normal Dividend of 3 cents per share and a Special Dividend of 4 cents per share*

**SINGAPORE, 15 October 2018** – Singapore Press Holdings Limited (SPH) reported operating profit held firm at \$206.3 million for the year ended 31 August 2018 (FY2018) cushioned by cost savings even as operating revenue declined \$50 million or 4.8% to \$982.6 million. Higher investment income of \$115.2 million boosted the performance across all reporting segments by 24% to \$321.5 million.

Net profit attributable to shareholders fell \$69 million or 19.7% to \$281.1 million, partly due to the absence of the one-off gain on divestment of a joint venture seen in FY2017. Excluding one-offs, net profit attributable to shareholders improved by 2.4%.

#### **Group Performance**

The core Media business remains profitable for the Group as the decline in revenue moderated. Revenue for the Media business for FY2018 fell by \$69.6 million or 9.6% to \$655.8 million. Operating profit came in at \$92.8 million, supported by lower staff costs, newsprint costs and depreciation charges.

Revenue for the Property segment of \$242.4 million was steady year-on-year despite a challenging retail environment. Operating profit was \$151.8 million. The Property

segment remains the largest contributor to group profit, providing a steady income stream for SPH.

Revenue from the Others segment grew 34% to \$84.4 million, led by the first full-year contribution from the Aged Care business. The Digital Portfolio enjoyed gains from various divestments.

Mr Ng Yat Chung, Chief Executive Officer of SPH, said: "Print continues to experience headwinds, but we are seeing encouraging results from our efforts to digitise the core Media Business. We are making good progress in growing our Property, Digital Portfolio and Aged Care businesses, including our recently acquired assets in the Purpose-built Student Accommodation sector."

### **Operational Highlights**

Over the past year, SPH's Media business sought to capture growth opportunities with various digital initiatives and new partnerships including the launch by The Straits Times of its new all-digital subscription plans. SPH will continue investing in further digital initiatives, as it embraces data analytics, AI and other advanced automation technologies to enhance the readership experience.

SPH and its partner Kajima Development held the groundbreaking of The Woodleigh Mall and Residences in March 2018. The residential units are expected to be launched for sale soon. As part of efforts to enhance the Group's recurring income from the Property segment, SPH increased its stake in Chinatown Point to 30.68% in 1Q2018 and SPH REIT acquired The Rail Mall in 4Q2018.

Orange Valley opened the new Balestier Care Centre in Jan 2018, and continues to deliver high quality care as Singapore's largest private nursing home group. The Group looks forward to growing its aged care business both locally as well as overseas in the medium term. The Digital Portfolio team widened SPH's digital offerings and reach during the year.

## **Post FY2018**

In early September 2018, SPH made its maiden investment in the Purpose-Built Student Accommodation (PBSA) sector with a \$321 million acquisition of 3,436 beds across 6 towns and cities in the UK. To drive its efforts in the UK, SPH invested in building a core asset management team in early 3Q2018 and partnered Host, a 2018 award-winning student housing management specialist to actively manage the portfolio. The acquisition is part of a strategy to expand the Group's asset management business to acquire cash-yielding assets in multiple defensive sectors. The Group will build upon its initial PBSA acquisition to develop a sizeable platform with strong domain expertise and on-ground capabilities, and may also enter other sectors in time.

In September, SPH announced that it will join Keppel Corporation in making a pre-conditional general offer for M1. As part of this, SPH will roll-over its existing 13.45% stake in M1 into the offeror, Konnectivity Pte Ltd which is majority-held by Keppel. There is potential for long term value creation in M1 from the growth and business transformation initiatives to be undertaken post close of the offer.

The Directors of SPH have proposed a Final Dividend of 7 cents per share, comprising a Normal Dividend of 3 cents per share and a Special Dividend of 4 cents per share in respect of the financial year ended 31 August 2018. These dividends will be paid on 21 December 2018. Together with the Interim Dividend of 6 cents, total Dividend payout for FY2018 will be 13 cents.

## Financial Highlights

	<b>FY2018</b> S\$'000	<b>FY2017</b> S\$'000	<b>Change</b> %
Operating revenue	982,555	1,032,515	(4.8)
Operating profit <sup>#</sup>	206,346	205,448	0.4
Investment income	115,175	53,865	113.8
<b>Operating profit and Investment income</b>	<b>321,521</b>	<b>259,313</b>	<b>24.0</b>
Fair value change on investment properties	45,702	57,386	(20.4)
Gain on divestment of a joint venture	-	149,690	NM
Impairment of associates and a joint venture	-	(35,459)	NM
Profit after taxation	323,997	395,216	(18.0)
<b>Net profit attributable to shareholders</b>	<b>281,110</b>	<b>350,085</b>	<b>(19.7)</b>

<sup>#</sup> This represents the recurring earnings of the media, property and other businesses.  
 NM Not Meaningful

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For media and analysts' queries, please contact:

Media

Chin Soo Fang (Ms)

Head

Corporate Communications & CSR Division

Singapore Press Holdings

Tel: 6319 1216

Fax: 6319 8150

Email: [soofang@sph.com.sg](mailto:soofang@sph.com.sg)

Analysts

Tok Chong Yap (Mr)

Tulchan Communications LLP

Tel: 6222 3765

Email: [sph@tulchangroup.com](mailto:sph@tulchangroup.com)

### About Singapore Press Holdings Ltd

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

SPH's core business is publishing of newspapers, magazines and books in both print and digital editions. It also owns other digital products, online classifieds, radio stations and outdoor media.

On the property front, SPH owns 70% in a real estate investment trust called SPH REIT which comprises Paragon, a premier upscale retail mall and medical suite/office property in Orchard Road, The Clementi Mall, a mid-market suburban mall and The Rail Mall, a stretch of shopping and dining outlets along Upper Bukit Timah Road. SPH also owns and operates The Seletar Mall. It is developing a new commercial cum residential site at Woodleigh. It also has a stake in Chinatown Point and acquired a portfolio of Purpose-Built Student Accommodation (PBSA) in the United Kingdom.

It is in the aged care sector and owns Orange Valley, Singapore's largest private nursing home operator.

SPH runs a regional events arm and a chain of Buzz retail outlets. It also invested in the education business.

For more information, please visit [www.sph.com.sg](http://www.sph.com.sg)