



SINGAPORE PRESS HOLDINGS LIMITED

Reg. No. 198402868E

(Incorporated in Singapore)

SPH REPORTS A 7.6% RISE IN OPERATING PROFIT FOR 1QFY19 MAINLY DUE TO ABSENCE OF RETRENCHMENT COSTS; PROPERTY BUSINESS MAKES STRIDES

- *Print ad revenue declines at slowest rate in four quarters*
- *Acquisition of student accommodation assets in the UK gives new income streams*
- *Actively reviewing a pipeline of cash-yielding assets in defensive sectors to enhance Group's recurring income*

SINGAPORE, 11 January 2019 – Singapore Press Holdings Limited (SPH) reported a 7.6% rise in operating profit to \$74.8 million for the first quarter ended 30 November 2018(1QFY19). The performance was mainly aided by lower operating expenses of \$183.9 million which fell \$13.8 million or 7.0% mainly due to the absence of retrenchment costs. Operating revenue declined marginally by \$4.4 million or 1.7% to \$254.3 million.

Net profit attributable to shareholders was \$3.9 million or 6.3% lower at \$57.9 million due to the decline in contribution from investments as the Treasury & Investment portfolio was partially divested by August 2018 at the end of the previous financial year.

Group Performance

Operating profit for the Media business was 14.7% or \$4.1 million higher mainly due to the absence of retrenchment costs recognised in the same period last year. Revenue for the Media business for 1QFY19 fell by \$11.8 million or 6.8% to \$162.1 million. The the rate of decline in print ad revenue was the slowest seen in four quarters while digital ad revenue enjoyed double-digit growth of 12.9%.

Overall digital revenue which includes revenue from circulation, ads, online classifieds and other digital portals continued their growth momentum, rising 10.1%.

Revenue for the Property segment of \$68.0 million was \$6.8 million or 11.1% higher than 1QFY18. Operating profit was 5.2% or \$2.1 million higher boosted by a contribution of \$3.2 million from the UK student accommodation portfolio which was acquired in September 2018. The Property segment contributes nearly 55% to group profit, delivering a steady income stream for SPH.

Revenue from the Others segment which includes the Aged Care business was up 2.6% to \$24.2 million.

Mr Ng Yat Chung, Chief Executive Officer of SPH, said: "The print side of the Media business continues to experience headwinds, even as we grew revenue from the digital side of the business. We made progress in growing recurring income from the Property segment with initial contribution this quarter from our UK student housing assets and we look forward to more contribution."

Operational Highlights

The Media business continues to pursue various digital initiatives and new partnerships as it seeks to enhance the products and improve audience engagement with better use of data analytics. During 1QFY19, SPH launched a new product Photonico, a photographic marketplace to tap on the group's archive of images.

In the Property segment, SPH and its partner Kajima Development held a soft launch for the residential units of The Woodleigh Residences in November 2018. Around 55% of the 50 units launched were sold at an average price of over \$2,000 per sq ft. The official launch will be during 3QFY19.

Following its investment in the UK student accommodation sector, SPH has embarked on rebranding efforts as well as the development of an overall marketing strategy for the student housing business. Plans to grow the assets to a sizeable platform are on track.

Post 1QFY19, as part of ongoing efforts to boost recurring income, SPH partnered Kajima Development to bid for a white site at Pasir Ris Central that was launched for sale under the Confirmed List of Government Land Sales programme.

During the quarter, SPH's Digital business ventured into the South-East Asian e-commerce market with a 70% stake in OctoRocket. SPH also subscribed to a 30% stake in sgCarMart Financial Services. The events business which is part of the Others segment expanded to China with Beerfest Shandong and is seeking further opportunities abroad. The Aged Care business is primed for opportunities, domestically and overseas.

Investment income fell by \$9.2 million or 74.3% to \$3.2 million in 1QFY19 after the partial divestment of the Treasury & Investment portfolio during the last financial year. But the divestment was timely as SPH locked in gains and avoided losses on the portfolio during the recent financial market turbulence.

On 27 September 2018, SPH announced that it will join Keppel Corporation in making a pre-conditional voluntary general offer (the "Offer") for M1 Limited. The Offer is a strategic initiative to gain majority control of M1, in order to drive business changes in M1 that will enable M1 to compete more effectively in the telecommunications industry. In connection with the Offer, SPH has undertaken to roll-over its existing 13.45% stake in M1 into Konnectivity Pte. Ltd. (the "Offeror"), which is majority-held by Keppel. On 28 December 2018, the Offeror received the relevant approvals from the Info-communications Media Development Authority in respect of the transaction and accordingly, the Offeror announced its firm intention to make the Offer for M1.

Financial Highlights

| | 1Q FY19 S\$'000 | 1Q FY18 S\$'000 | Change % |
|--|---------------------------|---------------------------|--------------------|
| Operating revenue | 254,316 | 258,758 | (1.7) |
| Operating expenses | (183,914) | (197,747) | (7.0) |
| Operating profit [#] | 74,841 | 69,556 | 7.6 |
| Profit after taxation | 67,816 | 72,265 | (6.2) |
| Net profit attributable to shareholders | 57,902 | 61,803 | (6.3) |

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

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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 REIT also holds 85% equity stake in Figtree Grove, a freehold sub-regional shopping centre in Wollongong, New South Wales, Australia. 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