



**SINGAPORE PRESS HOLDINGS LIMITED**

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

**SPH REPORTS FLAT OPERATING PROFIT FOR 1H FY19 DESPITE A DECLINE IN OPERATING REVENUE**

- *Media segment's print decline continues to slow, while digital performance improves;*
- *Property segment's portfolio expanded with the recent additions of UK student accommodation assets and SPH REIT acquisitions;*
- *M1 transaction completed; to be integrated into SPH's digital transformation strategy;*
- *Aged Care seeking local and overseas expansion*

SINGAPORE, 9 April 2019 – Singapore Press Holdings Limited (SPH) reported operating profit rose 0.6% to \$121.3 million for the first half ended 28 February 2019 (1H FY19) even as operating revenue eased \$14.8 million or 3.0% to \$477.6 million. Operating expenses fell \$21.7 million or 5.6% to \$365.3 million mainly due to ongoing cost control and the absence of retrenchment costs seen in the previous period.

Net profit attributable to shareholders was \$14.8 million or 14.7% lower at \$85.6 million. This was mainly due to the lack of investment gains as the Treasury & Investment portfolio was largely divested by August 2018 with the proceeds recycled to businesses to increase recurring income over time.

**Group Performance**

Revenue for the Media business for 1H FY19 fell by \$33.4 million or 10.1% to \$296.2 million partly as a result of the shorter festive advertising window between Christmas and Chinese New Year. Profit was 3.8% or \$1.7 million lower at \$42.1 million.

The digital side of the Media business continues to show encouraging growth with newspaper digital ad revenue rising 15.1% compared with a year ago. Total digital revenue which includes revenue from other digital portals, circulation and online classifieds grew steadily at 13.1%.

Revenue from the Property segment was \$18.7 million or 15.3% higher at \$140.3 million through acquisitions by SPH REIT and the UK student accommodation portfolio. Profit was 2.3% or \$1.8 million higher boosted by net operating income of \$6.2 million from the UK student accommodation portfolio. The Property segment was responsible for two-thirds of the Group's profits, delivering a steady income stream for SPH.

Revenue from the Others segment which includes the Aged Care and Digital businesses was stable at \$41.2 million.

For 2Q FY19, operating revenue was \$10.4 million or 4.4% lower as print advertisement revenue declined although the drop was cushioned by higher property revenue. Group operating profit dipped \$4.5 million or 8.9% to \$46.5 million on lower revenue as well as higher premises costs and finance costs partly related to the UK student accommodation portfolio.

Mr Ng Yat Chung, Chief Executive Officer of SPH, said: "We continue to make progress with our digital transformation strategy. Although the Media business continues to experience headwinds, revenue from the digital side of the business is showing growth. We also see improved recurring income from the Property segment which has expanded its portfolio following recent acquisitions."

Mr Ng added: "With the completion of the M1 transaction in March 2019, we look forward to the next step of being part of M1's transformational journey. We will be closely collaborating with Keppel Corporation and M1 to leverage on the synergies among us."

## **Operational Highlights**

The Media business continues to invest in digital and innovative capabilities to capture opportunities and stay ahead of emerging trends. In April, the Singapore Media Exchange, an advertising exchange set up by SPH and MediaCorp expanded with seven new partners in a bid to reach a wider audience across Singapore and the region.

As part of the ongoing strategy to digitise the Media business and grow new digital subscribers, post 1H FY19 in March, SPH launched a news tablet package which comes with a Samsung tablet and a pre-loaded e-paper version of Chinese newspaper publications. Over 2,000 subscriptions were garnered within two weeks of launch.

In the Property segment, SPH REIT made its first overseas foray in December with the acquisition of Figtree Grove Shopping Centre in Wollongong, Australia for A\$206 million. The UK student accommodation portfolio expanded its capacity by over 10% with the addition of 380 beds across the two cities of Lincoln and Glasgow in February and post 1H FY19, in March.

SPH and joint venture partner Kajima Development are developing The Woodleigh Residences and Mall, a premium integrated development located in the upcoming Bidadari estate. The residential component is expected to be officially launched for sale by May 2019.

In the Aged Care segment, SPH remains on the lookout for expansion opportunities as it seeks to build operational capabilities in Singapore and enhance the range of services on offer.

The Directors have declared an interim dividend of 5.5 cents per share which will be paid on 24 May 2019.

## Financial Highlights

	<b>1H FY19</b> S\$'000	<b>1H FY18</b> S\$'000	<b>Change</b> %
Operating revenue	477,643	492,457	(3.0)
Operating expenses	(365,276)	(387,015)	(5.6)
Operating profit <sup>#</sup>	121,303	120,565	0.6
Profit after taxation	99,598	120,592	(17.4)
<b>Net profit attributable to shareholders</b>	85,614	<b>100,397</b>	<b>(14.7)</b>

<sup>#</sup> 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](http://www.sph.com.sg)