

Singapore Press Holdings Limited

FY2017 Financial Results

October 11, 2017

Group FY2017 financial highlights

	FY2017 S\$'000	FY2016 S\$'000	Change %
Operating revenue	1,032,515	1,124,349	(8.2)
Operating profit [#]	205,448	305,169	(32.7)
Fair value change on investment properties	57,386	11,823	NM
Investment income	53,865	51,753	4.1
Gain on divestment of a joint venture	149,690	-	NM
Impairment of associates and a joint venture	(35,459)	-	NM
Profit after taxation	395,216	306,139	29.1
Net profit attributable to shareholders	350,085	265,293	32.0

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

Group FY2017 financial highlights

Operating Revenue	FY2017 S\$'000	FY2016 S\$'000	Change %
Media	725,427	834,221	(13.0)
Property	244,159	241,310	1.2
Others	62,929	48,818	28.9
	1,032,515	1,124,349	(8.2)

Media

- Advertisement revenue declined S\$102.5m (16.9%)
- Circulation revenue decreased S\$8.7m (5.1%)

Property

- Higher rental income from the Group's retail assets

Others

- Included revenue from Orange Valley Healthcare since acquisition on April 25, 2017

Group FY2017 financial highlights

Profit/(Loss) before taxation	FY2017 S\$'000	FY2016 S\$'000	Change %
Media	114,472	197,352	(42.0)
Property	162,971	149,586	8.9
Treasury and Investment	47,038	48,833	(3.7)
Others	(4,041)	(18,195)	(77.8)
	320,440	377,576	(15.1)
Gain on divestment of a joint venture	149,690	-	NM
Fair value change on investment properties	57,386	11,823	NM
Impairment charges	(96,024)	(28,358)	NM
	111,052	(16,535)	NM
	431,492	361,041	19.5

Media

- Revenue declines partially mitigated by lower newsprint, depreciation and staff costs

Property

- Higher rental income and lower costs
- Contribution from Chinatown Point

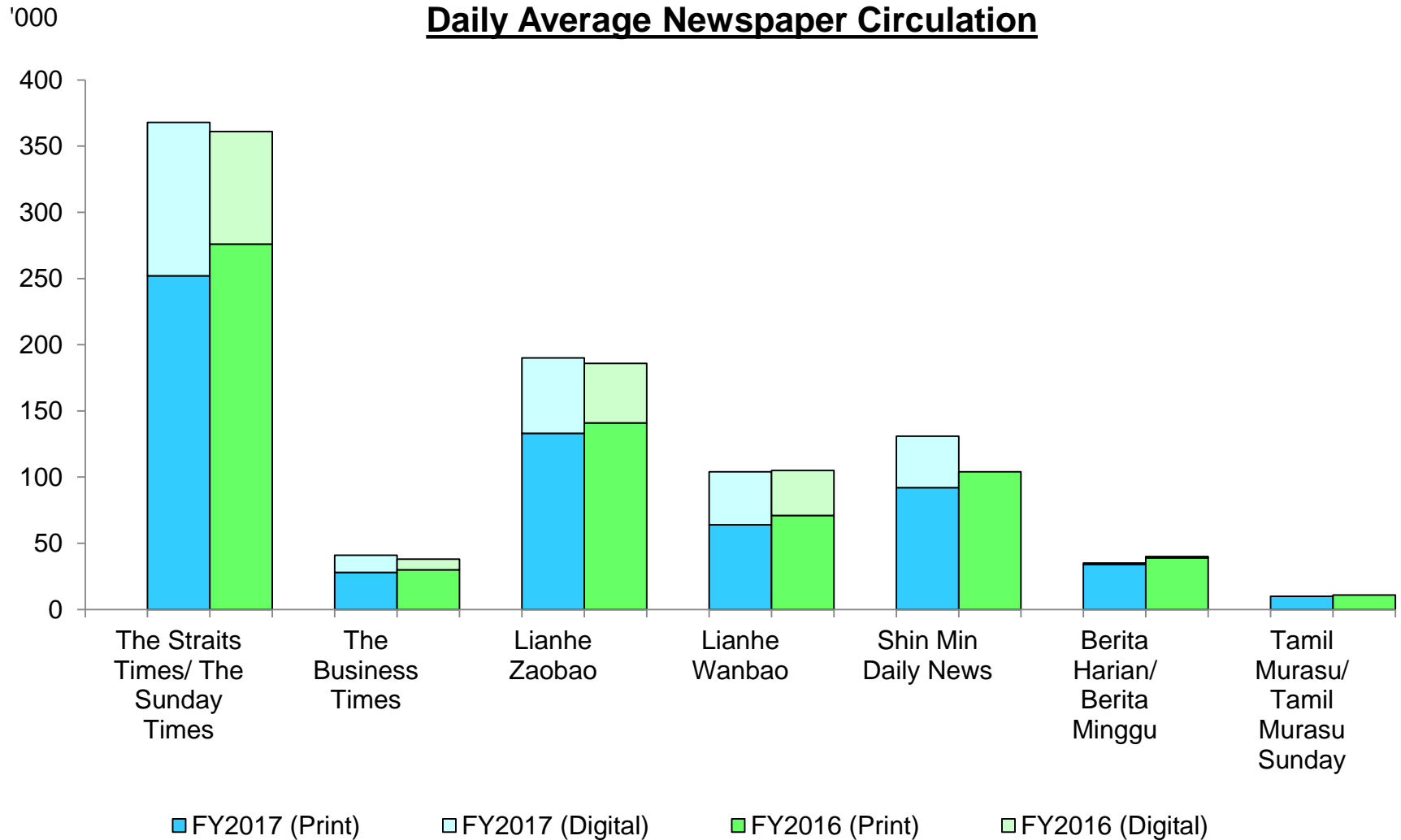
Treasury and Investment

- Fair value losses partially offset by higher gains on disposal of investments

Others

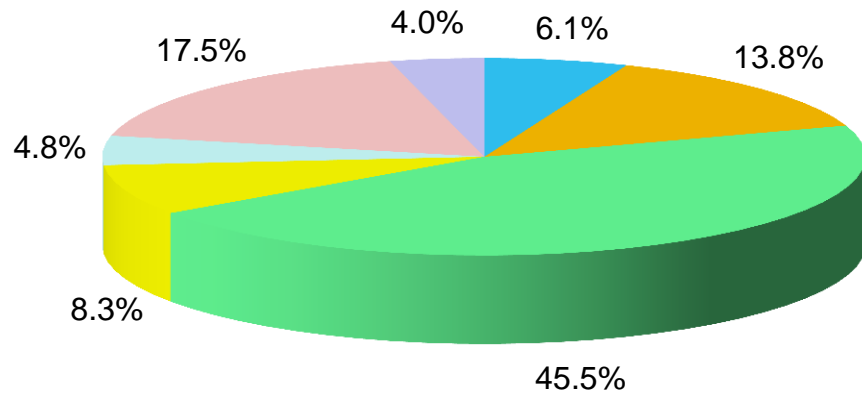
- Reduced losses from the online classifieds business

Circulation maintained by digital



Operating costs fell 4.1%

FY2017 Operating Expenditure*
Cost Composition
(\$786m)



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

	S\$m
Newsprint	↓ 9.1
Staff costs	↓ 5.1
Premises costs [#]	↓ 4.7
Depreciation	↓ 6.9
Other operating expenses	↓ 7.5

* Excluding impairment charges

[#] Last year included additional property tax on the Group's investment property.

Staff costs contained

	FY2017	FY2016	Change %
Headcount as at end-August^	4,410	4,182	5.5
Staff Costs (\$'000)	357,464	362,551	(1.4)

^ Increase in headcount due to acquisition of Orange Valley Healthcare (457)

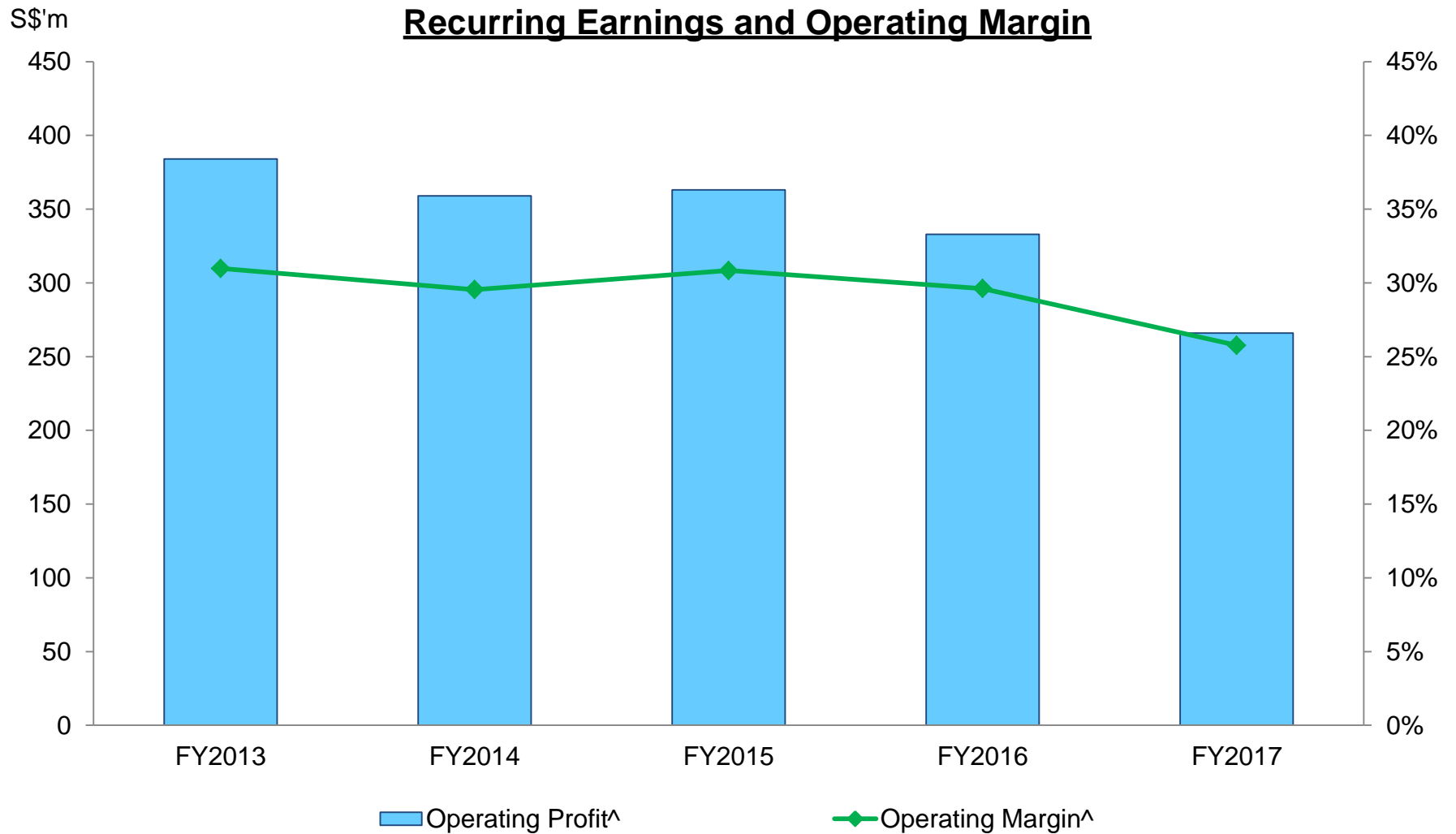
Restructuring update

- Oct 2016 : announced up to 10% headcount reduction over 2 years
- Aug 2017 : 5.5% reduction achieved
- Oct 2017 : full 10% reduction targeted

(15% from Newsroom and Sales Operations)

10% headcount reduction achieved

Good operating margins



[^] Excluding impairment charges on goodwill and intangibles, and property, plant and equipment

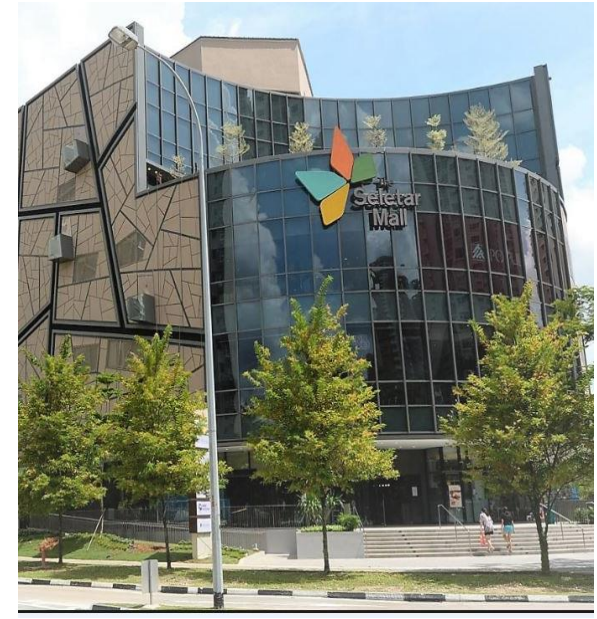
Sustained Property performance



Paragon



The Clementi Mall

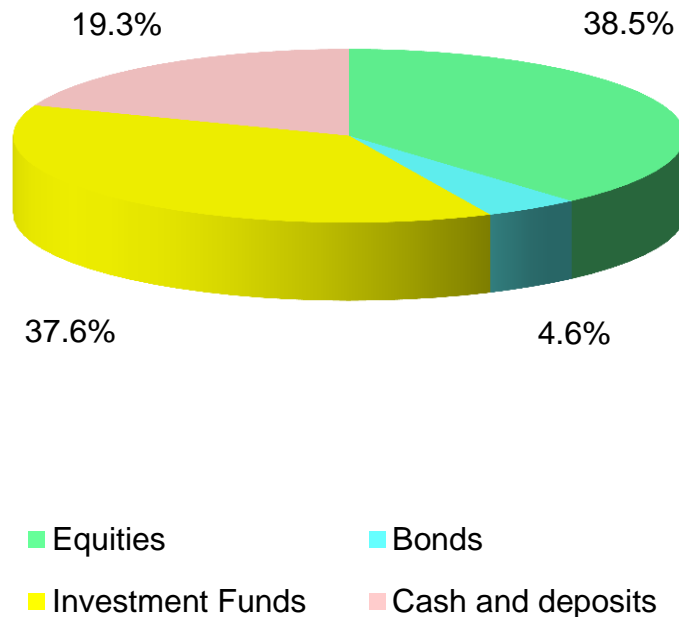


The Seletar Mall

- Net Property Income (NPI) grew 4.9% to S\$188.3m.
- All 3 malls continue to provide recurrent income stream.
- Market value for Paragon (freehold), The Clementi Mall and The Seletar Mall at S\$2.85b, S\$583m and S\$490m respectively.

Group investible fund

Group Investible Fund (S\$1.1b)



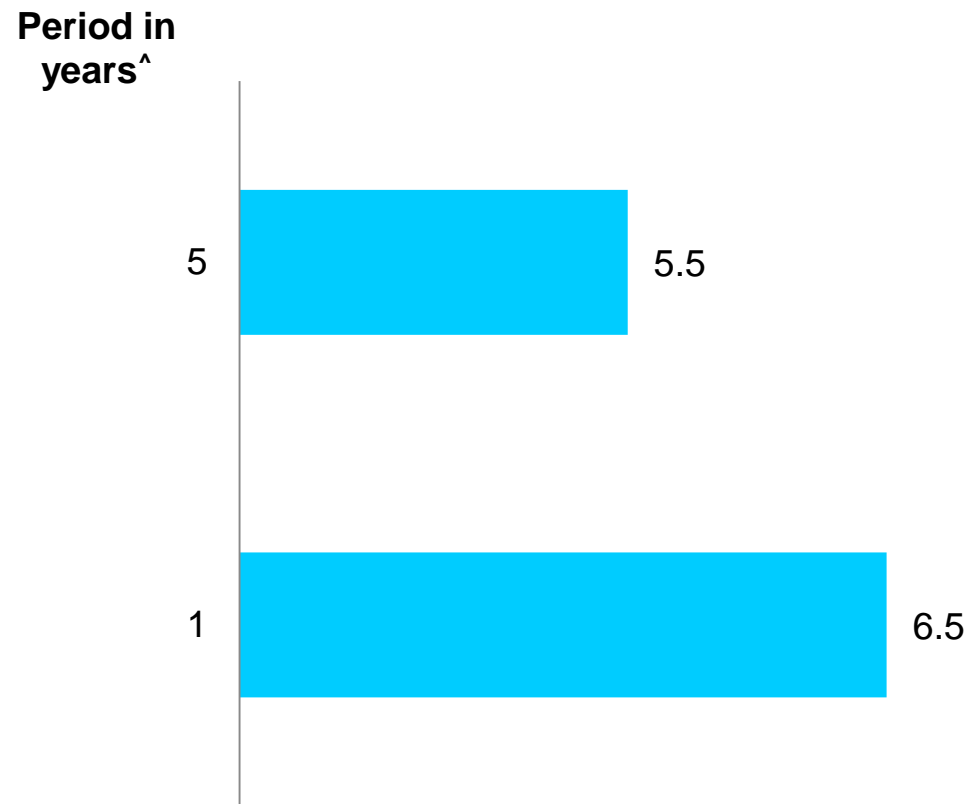
- Conservative stance maintained on investment allocation, focused on capital preservation
- Returns are expected to be commensurate with low risk-return profile to mitigate against volatility

(As at August 31, 2017)

Portfolio Investment Performance

4.3%

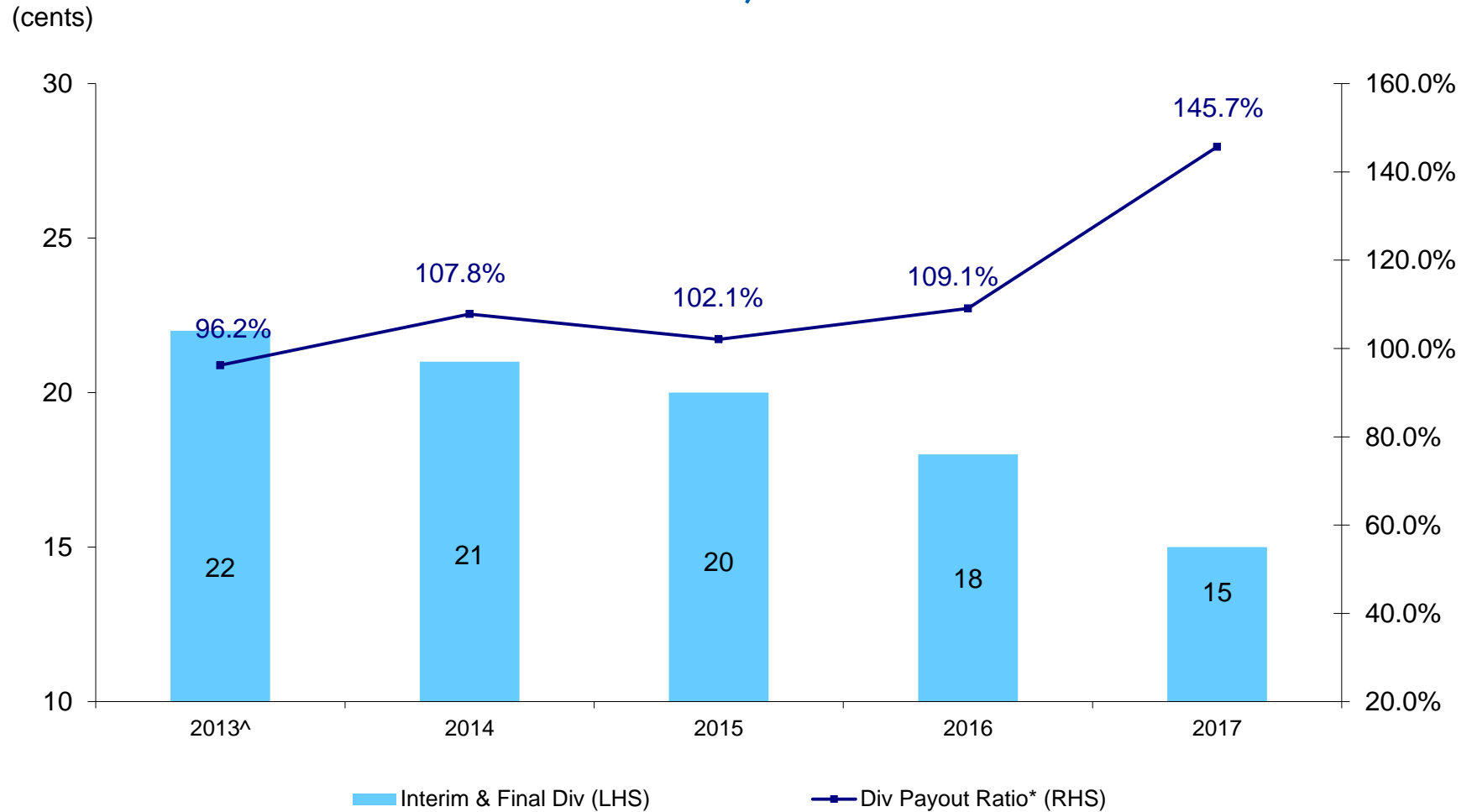
annualised return since inception



[^] As at August 31, 2017

Declared dividend per share of 15 cents

6 cents interim, 9 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

Some initiatives to enhance capabilities

Investing in new capabilities

- ✓ Digital
- ✓ Data analytics
- ✓ Radio
- ✓ Video
- ✓ Content Marketing

Enabling new growth



- Extending international reach of flagship through digital subscription

Expanding our product portfolio

- ❖ Radio has performed well
- ❖ Launch of 2 new radio stations in early 2018

Thank you

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