

**SPEECH BY DR LEE BOON YANG,  
CHAIRMAN, SINGAPORE PRESS HOLDINGS,  
AT SPH ANNUAL GENERAL MEETING  
HELD ON TUESDAY, 2 DECEMBER 2014**

Good morning, Ladies and gentlemen

Welcome to the SPH Annual General Meeting 2014.

Before we commence the business of the meeting, let me provide a brief overview of SPH Group's performance in the past financial year ended 31 August.

The year has been marked by rather unsettled economic conditions globally. These included the concern over rising interest rates and capital flight, as well as tensions in the Middle East and Ukraine. At home, the government's focus on managing a soft landing for the property market and also car-ownership added to impact from global economic uncertainties.

Despite these uncertainties, the Group managed to turn in a creditable performance in Financial Year 2013/2014 with a net profit of \$404.3

million. Although this represents a 6.2 per cent decrease compared to the last financial year, we should view it in the light of the challenging business conditions. Group recurring earnings of \$349.0 million was lower by \$20.3 million, mainly attributable to lower contribution from the Newspaper segment. Higher contributions from property, magazines, exhibitions, radio and online classifieds helped to cushion the drop in our Newspaper contribution.

I will now share with shareholders some of our major initiatives and achievements in the past year.

Our core newspaper business maintained its strength in the face of external challenges. Total circulation, covering both print and digital editions, averaged 1.07 million copies per day, an increase of 1.7 per cent. This was achieved by continuing to excel in print while strengthening and diversifying our presence in the digital space.

The total daily average circulation (print and digital) of The Straits Times and The Sunday Times registered year-on-year growth of 2.2 per cent to 459,300 copies. Lianhe Zaobao also achieved year-on-year increase of 6.3 per cent to 183,300 total daily average circulation.

To keep pace with changing trends, several newspapers underwent revamps, including Lianhe Zaobao and Lianhe Wanbao, and most recently The Business Times. The Straits Times enhanced its digital offerings and made further gains in its all-in-one package. The print Classified section was also given a makeover to cater to the changing lifestyles and needs of our readers and advertisers. Special ad features were introduced thematically so readers can find what they want or need more efficiently.

Berita Harian introduced its smartphone and tablet apps along with its new website, while The New Paper launched new apps for iPhone and Android smartphones. Tamil Murasu did remarkably well to grow both its revenues and profit.

Several SPH Magazines' titles also launched online editions to complement our print offerings. Our magazines are published and circulated in Malaysia, Hong Kong, China, India, Indonesia, Thailand, the Philippines and Vietnam. We hold a leading position in magazine publishing in Asia, with popular titles such as Her World and Men's Health.

Earlier this year, a new Digital Division was set up to consolidate our many standalone digital offerings including AsiaOne, Stomp and SPH Razor. The Group's digital technology resources have also been consolidated, with the aim of building up our in-house capability. Our latest digital offerings, coupled with others launched in the past, show SPH's ability and determination to offer all our news and media products to consumers digitally. We are determined to reach and serve our readers, especially the younger generation of digital new consumers, anywhere, anytime and on any device.

Our wholly-owned subsidiary, SPH Interactive Pte Ltd, recently acquired a 60 per cent equity stake in privately-held CoSine Holdings Pte Ltd, to offer consumers and real estate professionals end-to-end real-time information, property applications and other services for efficiently transacting real estate in Singapore. This will complement what we are already offering to the property sector with our digital classified, ST Properties.

Beyond Singapore, our forays into online marketplaces continued to make headway. In September last year, 701Search welcomed Telenor

ASA, Norway's leading telecommunications operator, as a third joint-venture partner in addition to Schibsted, the Norwegian media group. Just last month, we announced that 701Search has inked an agreement with Naspers Limited to establish joint ventures for the development of online classifieds platforms in several overseas markets.

On the property front, our third property offering, The Seletar Mall, recently opened its doors on Nov 28. Paragon, our premier upscale retail mall and medical suite/office property located in the heart of Orchard Road, and The Clementi Mall, a suburban mall in Clementi, were injected into SPH REIT and listed on the Singapore Stock Exchange. I am pleased that the REIT unit price has performed well, reflecting the good performance of the business with its quarterly distribution consistently exceeding its forecast.

The Group's radio subsidiary, SPH Radio, had a banner year. Kiss92, the new station aimed at female listeners, made an immediate impact since its launch and took pole position in terms of share of listenership in the latest Nielsen ratings.

Sphere Exhibits, our events and exhibitions arm, organised more than 30 exhibitions and conferences in Singapore , Malaysia, Myanmar, the Philippines and Sri Lanka. Through its subsidiary BizLink Exhibition Services, it also launched the inaugural International Franchise & Business Opportunities in Vietnam this year.

SPH will continue to pursue opportunities for sustainable growth and value creation. This includes the setting up of our \$100 million New Media Fund to invest in media-related businesses. We also made a foray into the education sector with an investment in MindChamps Holdings.

To allow us to respond swiftly to opportunities as they arise, we have been maintaining investible funds managed with a mandate for capital preservation. Returns are expected to commensurate with this risk profile. For the year, the return on the Group's portfolio investments was 4.5 per cent, a creditable performance amidst the low interest rate environment.

Finally, I would like to convey my appreciation to fellow board members for their dedication and effort to guide SPH towards growth and

strengthening of the Group. In particular and on behalf of the SPH board, I would like to thank Professor Cham Tao Soon and Mr Sum Soon Lim, who will be stepping down after today's AGM. Both long serving Directors have contributed a tremendous amount of time and energy to steering SPH through challenging times.

I would also like to welcome Mr Tan Chin Hwee and Ms Janet Ang to the Board. With their rich and diverse experience, I am confident they will contribute much to the Group as we continue to look for new business opportunities to strengthen our core media business.

I would also like to thank our management, staff, business associates, unions and all our shareholders, for your continued confidence and support.

The year ahead continues to be a challenging one. But with your firm commitment and support, I am confident SPH is well positioned to overcome the obstacles in our way as we continue to strive for organisational and business excellence.

Thank you.