

STEADFAST@



# Singapore Press Holdings

## **AGM Presentation**

**FY2014 Financial Results**

**2 December 2014**

# Group FY2014 financial highlights

	FY2014 S\$'000	FY2013 S\$'000	Change %
Operating Revenue	1,215,184	1,239,452	(2.0)
Operating Profit <sup>#</sup>	348,963	369,288	(5.5)
Fair value gain on investment properties	109,076	111,407	(2.1)
Investment Income	48,215	13,971	NM
Gain on partial divestment of 701Search*	52,863	-	NM
Profit after taxation	470,736	434,302	8.4
Net Profit attributable to shareholders	404,286	430,954	(6.2)

NM: Not meaningful

<sup>#</sup> This represents the recurring earnings of the media, property and other businesses.

<sup>\*</sup> 701Search is the holding company for the Group's regional online classified business. During the financial year, the Group entered into a strategic partnership agreement which provided for partial sale of stake in 701Search to Telenor.

# Group FY2014 financial highlights

Operating Revenue	FY2014 S\$'000	FY2013 S\$'000	Change %
Newspaper and Magazine	931,686	991,220	(6.0)
Property	204,985	198,139	3.5
Others	78,513	50,093	56.7
	<b>1,215,184</b>	<b>1,239,452</b>	<b>(2.0)</b>

## Newspaper and Magazine

- Advertisement revenue fell S\$51.3m (6.8%)
- Circulation revenue fell S\$9.7m (4.9%)

## Property

- Higher rental income from Paragon and The Clementi Mall

## Others

- Higher revenue boosted by contributions from exhibitions, sgCarMart (acquired in April 2013) and radio business.

# Group FY2014 financial highlights

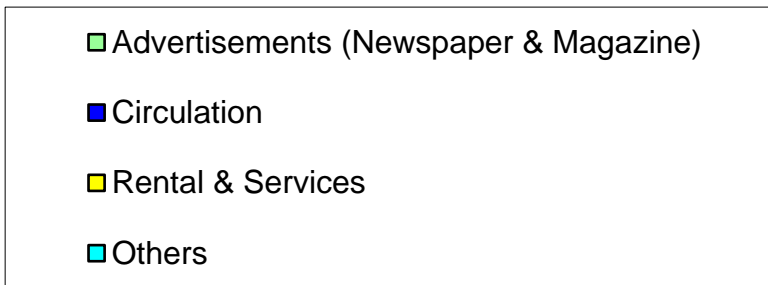
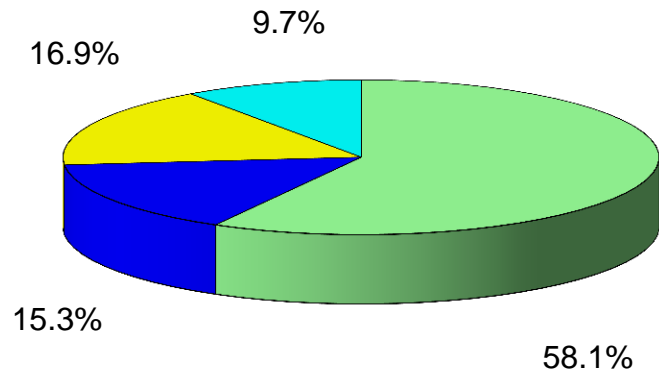
<b>Profit/(Loss) before taxation</b>	<b>FY2014 S\$'000</b>	<b>FY2013 S\$'000</b>	<b>Change %</b>	<b>Note</b>
Newspaper and Magazine	246,381	293,340	(16.0)	(a)
Property	239,397	222,417	7.6	(b)
Treasury and Investment	30,419	11,385	NM	(c)
Others	12,194	(38,043)	NM	(d)
	<b>528,391</b>	<b>489,099</b>	<b>8.0</b>	

NM: Not meaningful

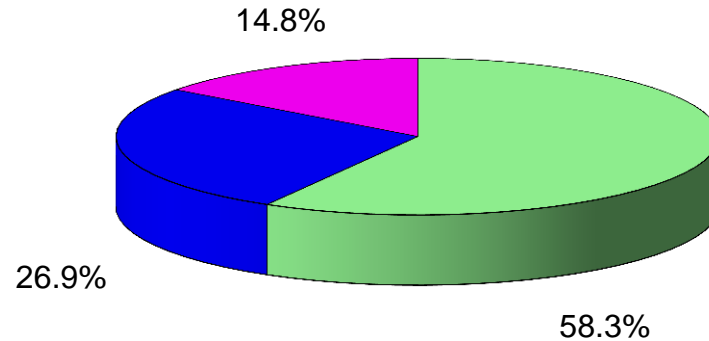
- (a) Decline in profit of the Newspaper and Magazine business was mainly attributable to lower advertisement revenue.
- (b) Operating profit, before finance costs and fair value gain on investment properties, rose S\$7.0m (5.0%) to S\$148.4m in line with higher revenue.
- (c) Treasury performance, before including financing cost previously allocated to the Property segment prior to REIT refinancing in July 2013, was lifted by increased dividend and interest income, higher profit on sale of investments and lower impairment charges on portfolio investments.
- (d) The Others segment turned into a profit with the gain on partial divestment of 701Search. In addition, the local online classified, radio and exhibitions businesses registered better performance in the financial year.

# Group FY2014 highlights

**Operating Revenue Composition**  
**(S\$1,215.2m)**

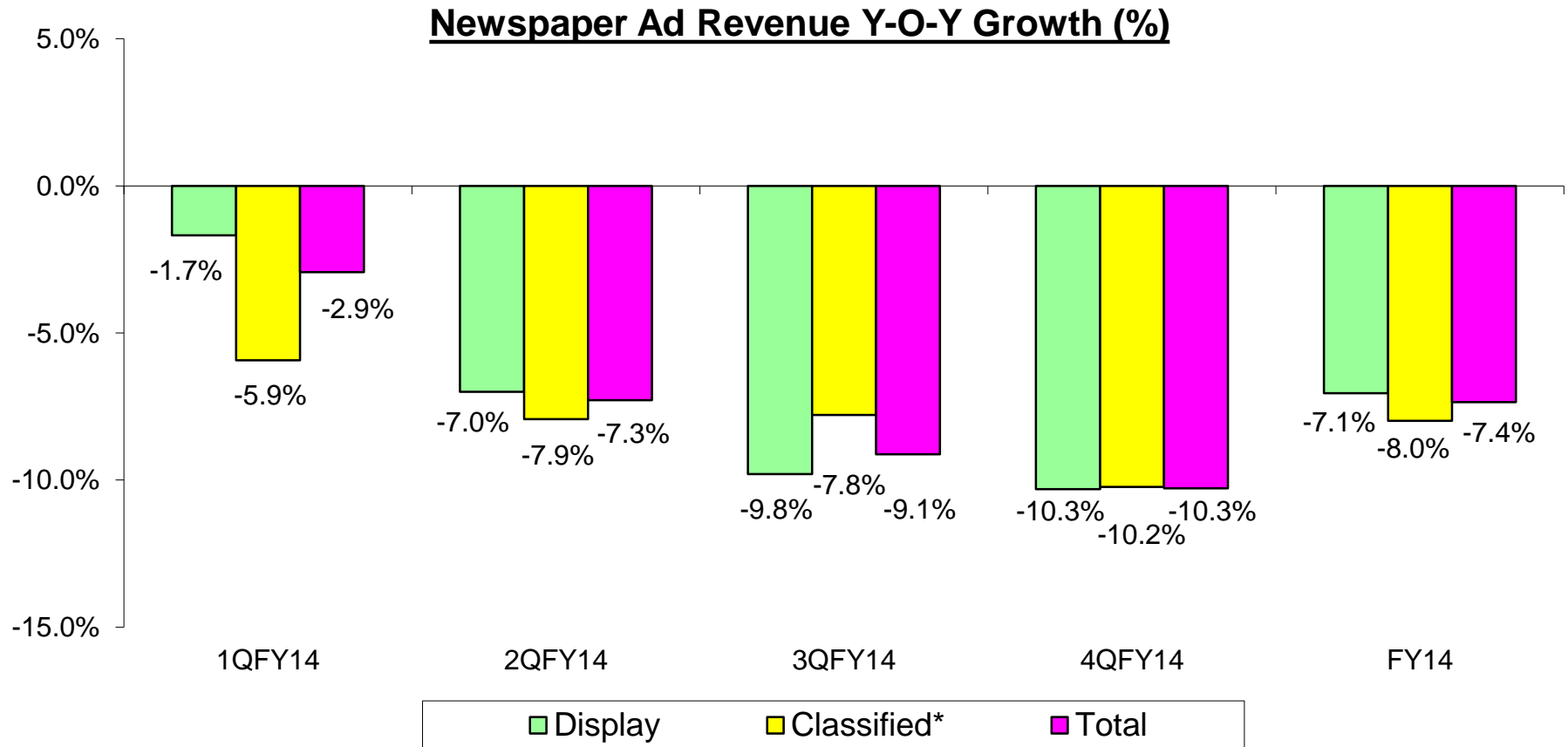


**Newspaper and Magazine**  
**Advertisement Revenue Composition**  
**(S\$705.9m)**



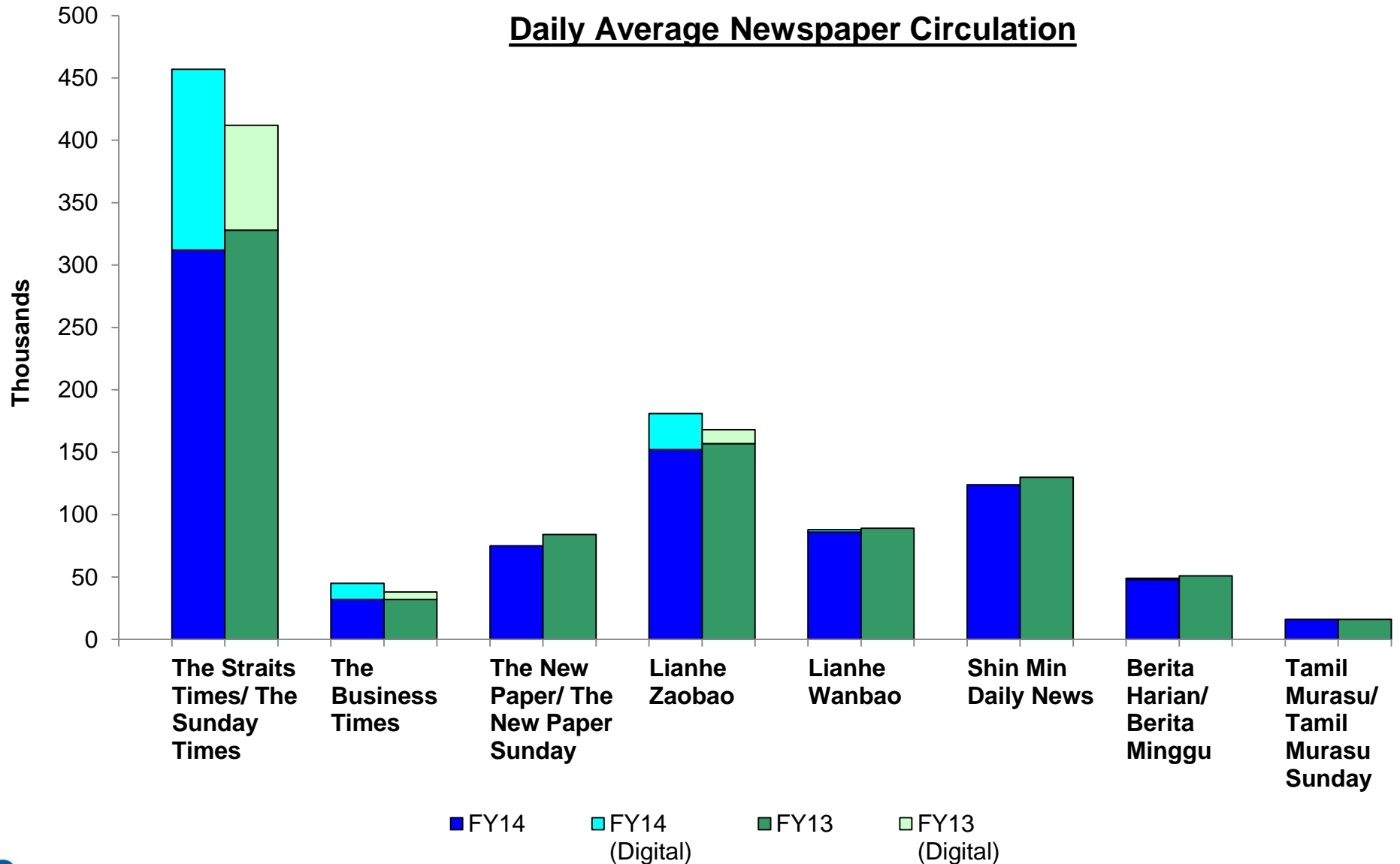
\* Classified includes Recruitment and Notices

# Ad revenue slowed as property and transport sectors continued to face headwind



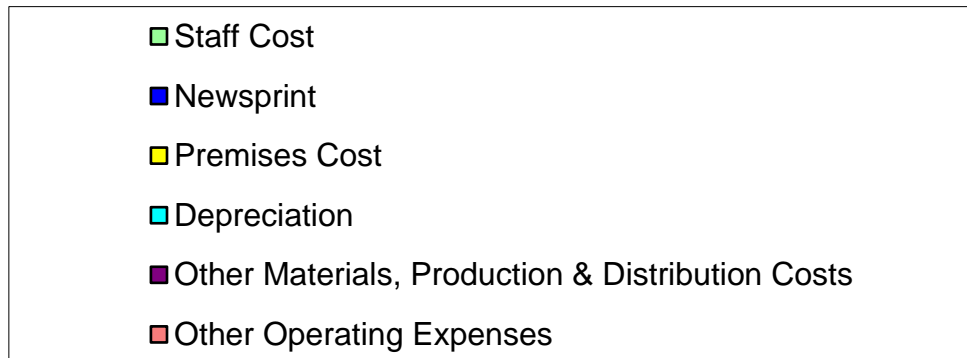
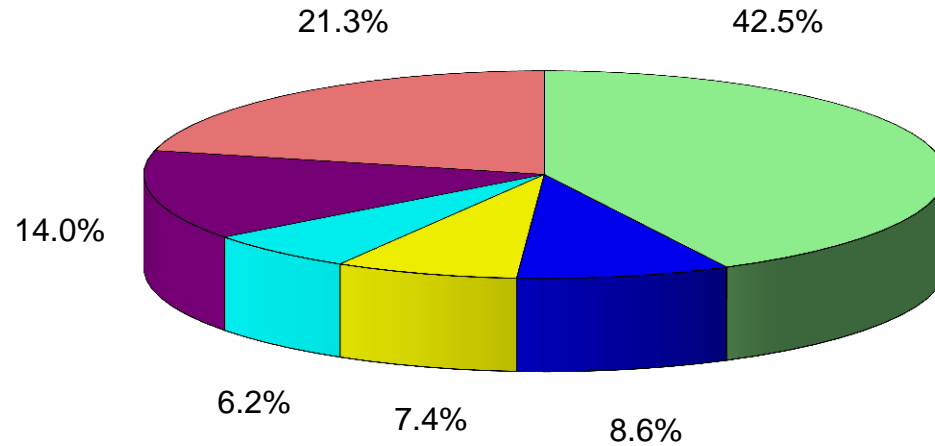
\* Classified includes Recruitment and Notices

# Growth in circulation copies led by robust digital sales



# Group FY2014 highlights

## Cost Composition (S\$882.1m)





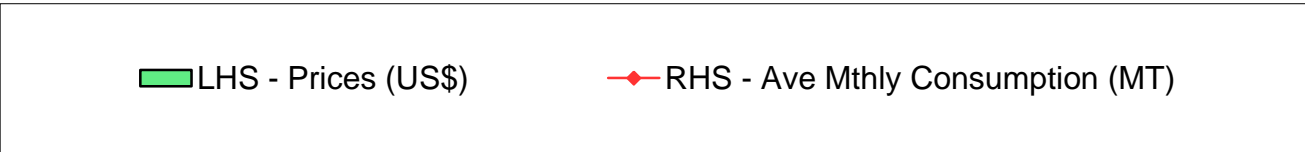
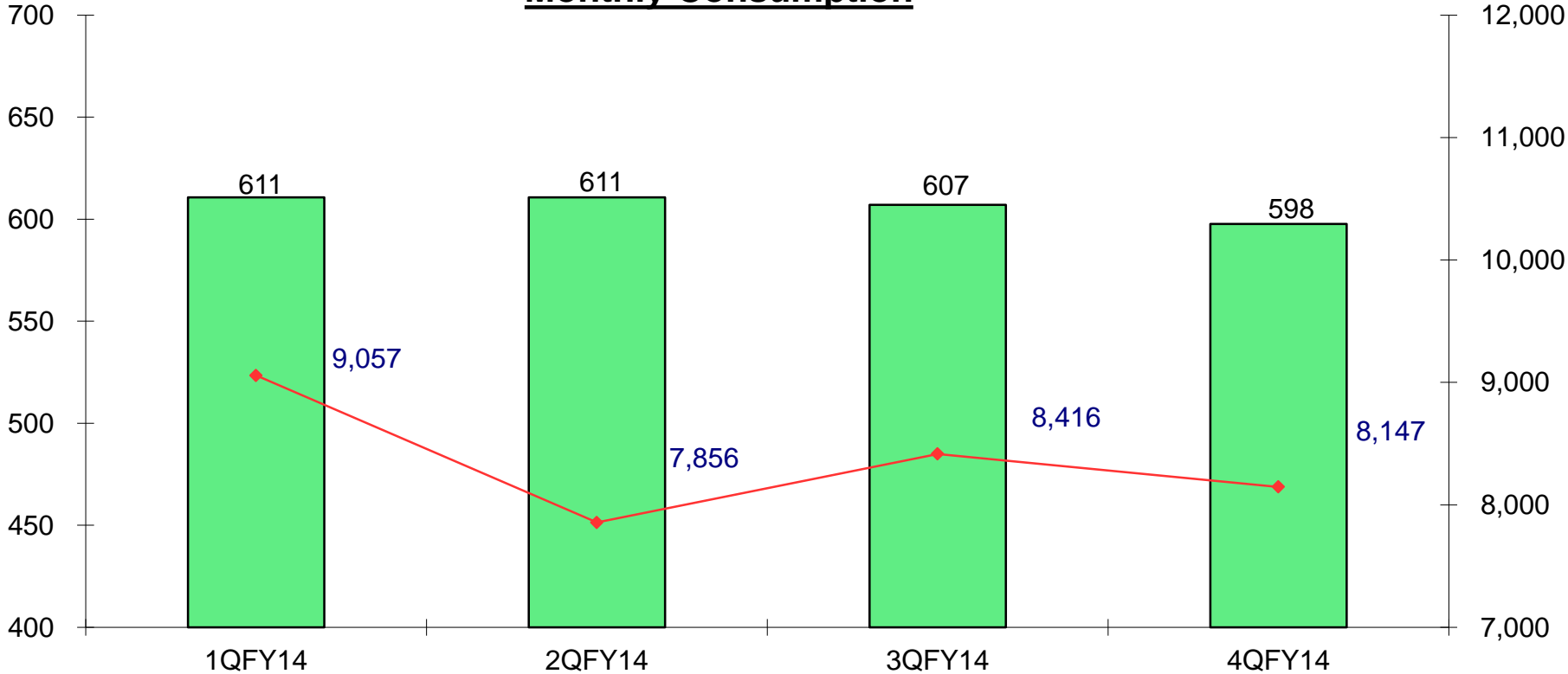
## A leaner workforce as the Group restructures and transforms

	FY2014	FY2013	Change %
Headcount as at end-August	4,204	4,339	(3.1)
Staff Costs (\$\$'000)	374,519	349,643	7.1

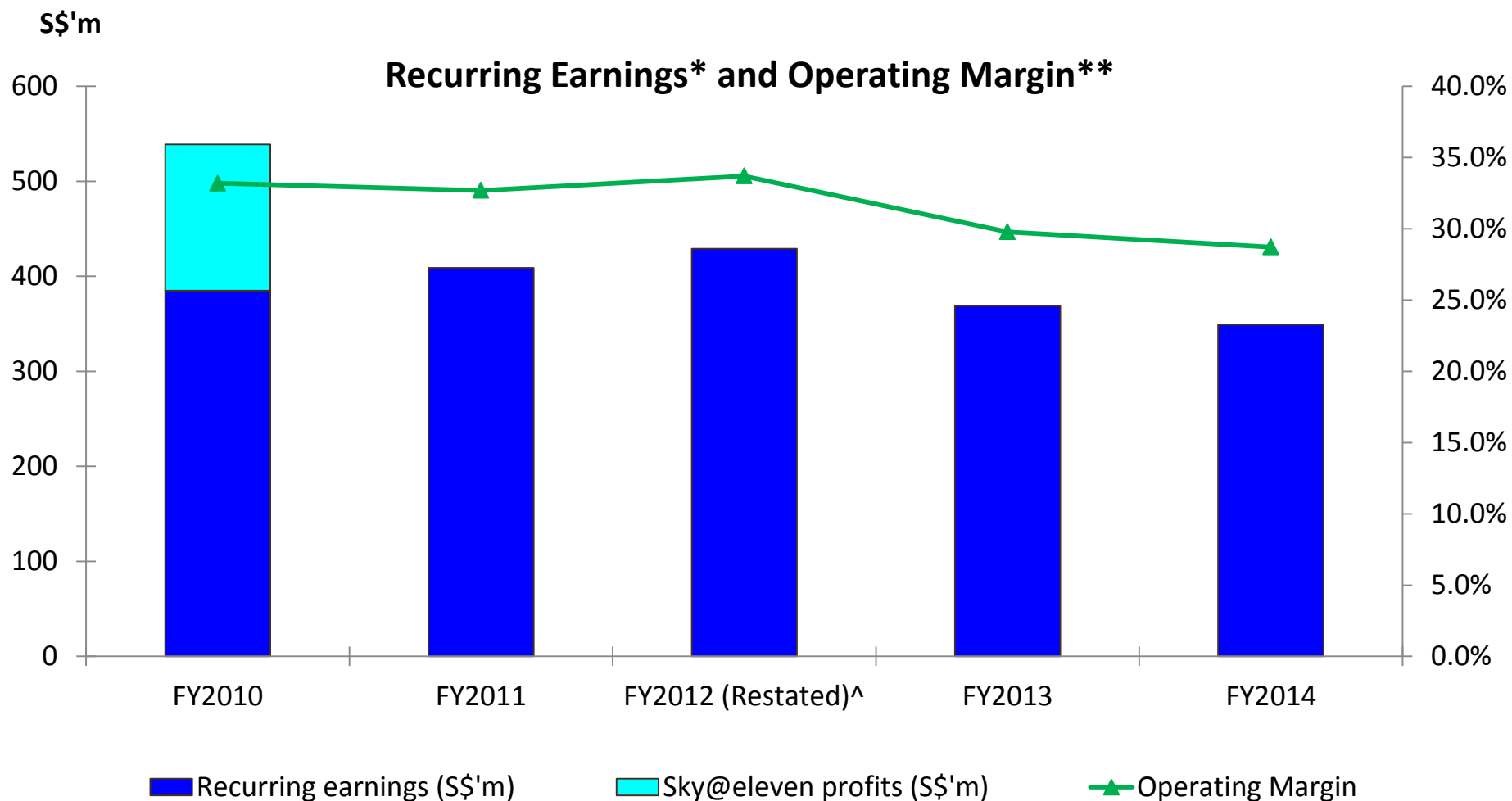
Staff costs were up S\$24.9m mainly due to salary increments, higher bonus costs including a one-off special bonus for prior year (S\$10.4m) arising from REIT profit and incentive to drive growth.

# Near-term newsprint prices expected to soften

**Average Newsprint Charge-Out Price & Monthly Consumption**



# Healthy operating margins



\* This represents the recurring earnings of the media, property and other businesses.

\*\* Computed based on recurring earnings excluding Sky@eleven.

^ With effect from FY2013, the Group changed its accounting policy for investment properties from cost to fair value model. The change was applied retrospectively and accordingly, the comparative financial statements for FY2012 were restated.

# Property segment maintains its steady growth



**Paragon**



**The Clementi Mall**

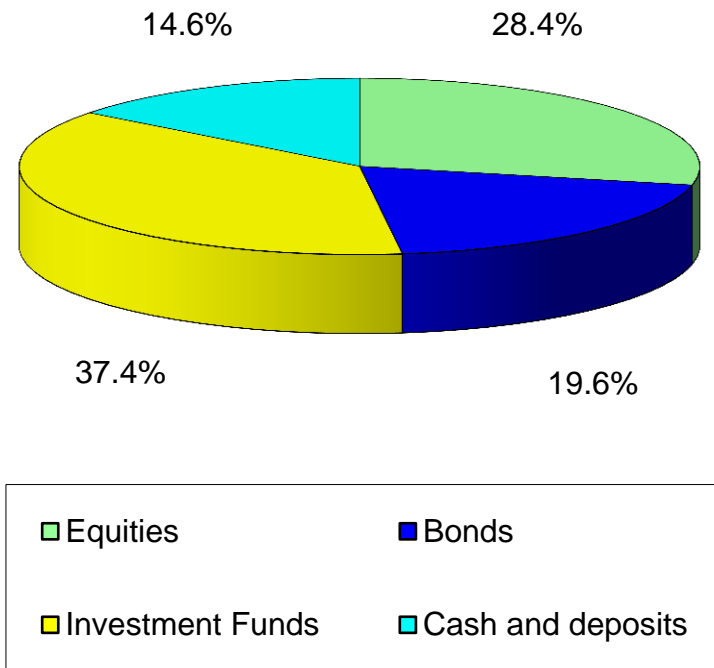


**The Seletar Mall**

- Net Property Income (NPI) rose 5% to S\$148.4m
  - Rental reversions of 8.5% for SPH REIT portfolio
  - Healthy NPI margins for Paragon (76%) and The Clementi Mall (69%)
  - Market value for Paragon (Freehold) and The Clementi Mall at S\$2.7b and S\$571m respectively
  - Unit price rose from IPO at S\$0.90 to S\$1.065 as at financial year end
- The largest suburban lifestyle hub in the North-East
  - Opened on 28 November 2014

# Group investible fund

## Group Investible Fund (S\$1.9b)

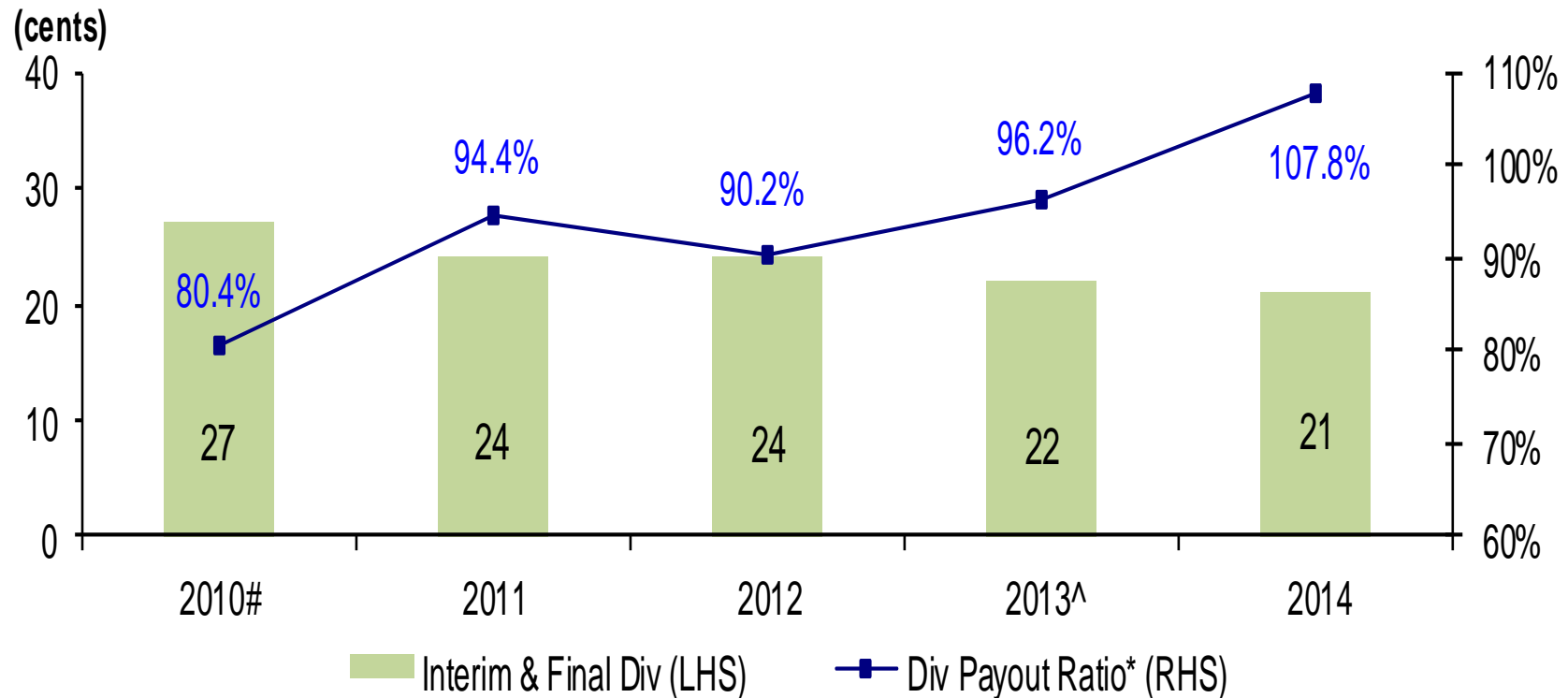


(As at August 31, 2014)

- 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
- About S\$ 300m managed for final dividend payment and New Media fund

# Declared dividend per share of 21 cents

7 cents interim, 14 cents final



\* Computed based on Group recurring earnings net of SPH REIT's non-controlling interest (S\$315m)

# FY2010 included profits from the Group's Sky@Eleven development

^ Excludes special dividend of 18 cents paid pursuant to the establishment of SPH REIT

# Thank you

Please visit [www.sph.com.sg](http://www.sph.com.sg) for more information.