

Singapore Press Holdings Limited

1H 2017 Financial Results

April 12, 2017

Group 1H 2017 financial highlights

	1H 2017 S$'000	1H 2016 S$'000	Change %
Operating revenue	516,275	555,502	(7.1)
Operating profit#	123,791	167,107	(25.9)
Investment income	14,915	17,558	(15.1)
Profit after taxation	119,691	154,809	(22.7)
Net profit attributable to shareholders	99,237	135,455	(26.7)

The results for 1H 2017 included charges of S$15.9m relating to the review of the media business and impairment of an associate. Excluding the charges, operating profit would have declined by S$27.4m (16.4%).

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

Group 1H 2017 financial highlights

Operating Revenue	1H 2017 S$'000	1H 2016 S$'000	Change %
Media	369,937	413,682	(10.6)
Property	122,417	120,810	1.3
Others	23,921	21,010	13.9
	516,275	**555,502**	**(7.1)**

Media

- Advertisement revenue fell S$45.9m (15%)
- Circulation revenue increased S$0.4m (0.5%)

Property

- Higher rental income from the Group's retail assets

Others

- Higher revenue from exhibitions and online classifieds businesses

Group 1H 2017 financial highlights

Profit/(Loss) before taxation	1H 2017 S$'000	1H 2016 S$'000	Change %
Media	50,611	102,042	(50.4)
Property	81,751	73,656	11.0
Treasury and Investment	9,697	15,765	(38.5)
Others	(1,985)	(9,319)	(78.7)
	140,074	**182,144**	**(23.1)**

Media

- Revenue declines partially mitigated by lower newsprint, depreciation and staff costs
- Included charges relating to the review of the media business and impairment of an associate

Treasury and Investment

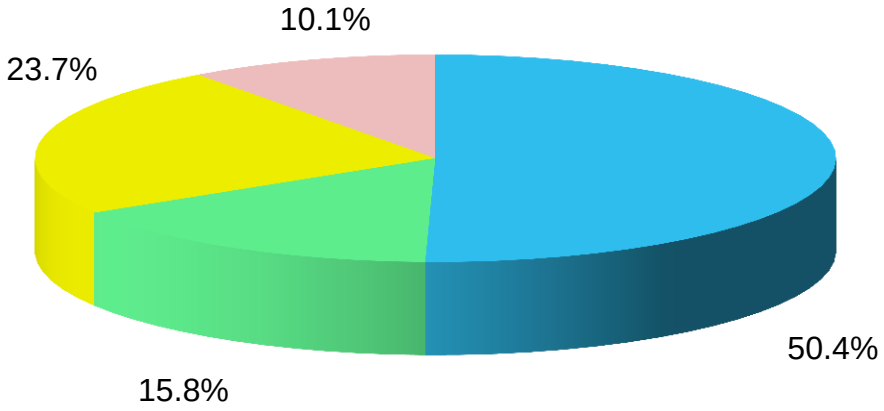
- Decrease mainly due to fair value losses on hedges for portfolio investments

Others

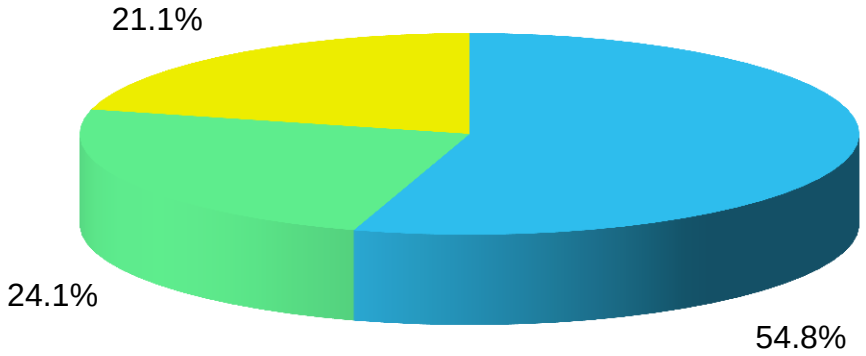
- Gain on sale of Media Fund investments
- Reduced losses from regional online classifieds business

Group 1H 2017 highlights

Operating Revenue Composition (S$516.3m)

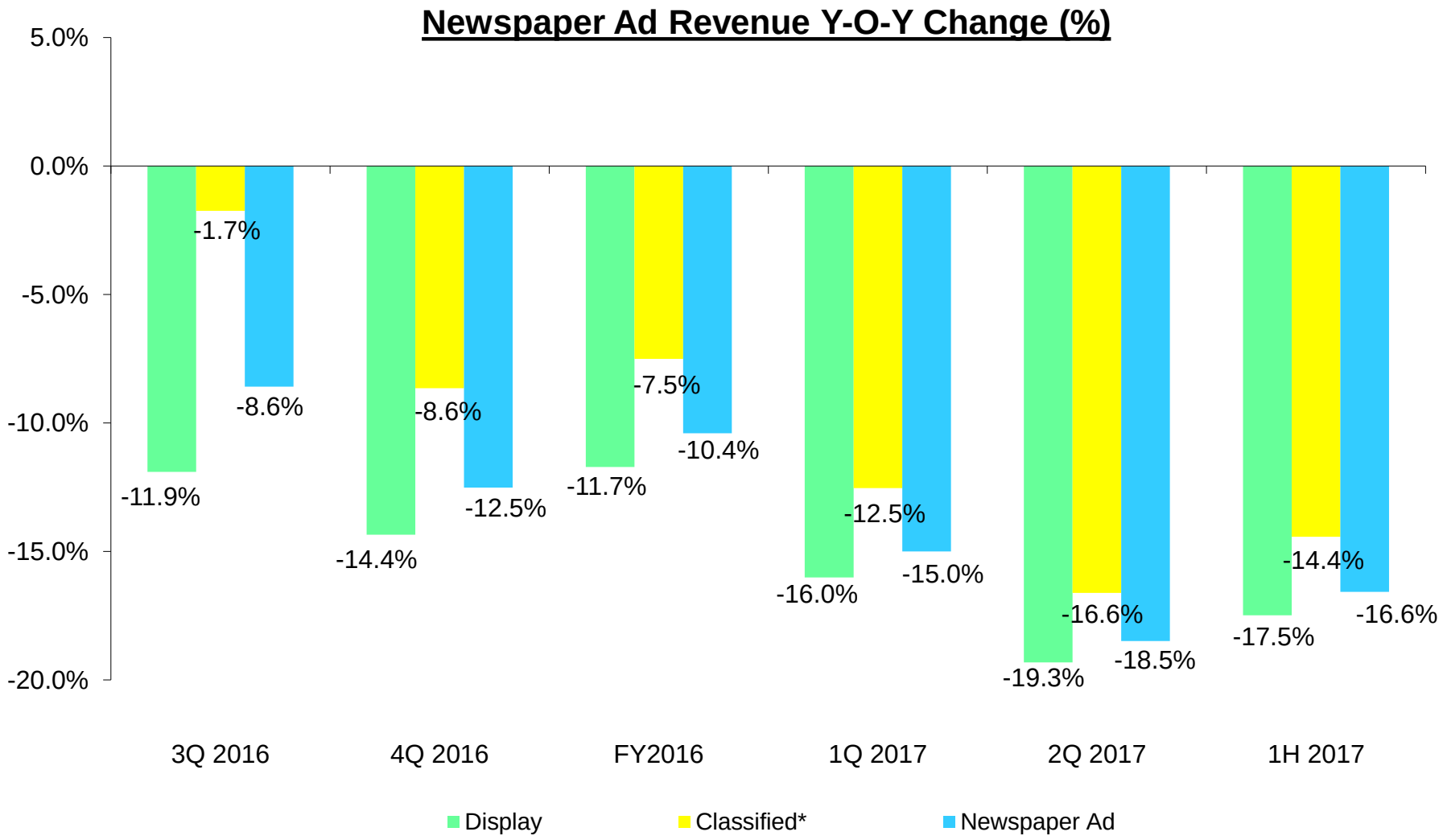


Media Advertisement Revenue Composition (S$260.3m)



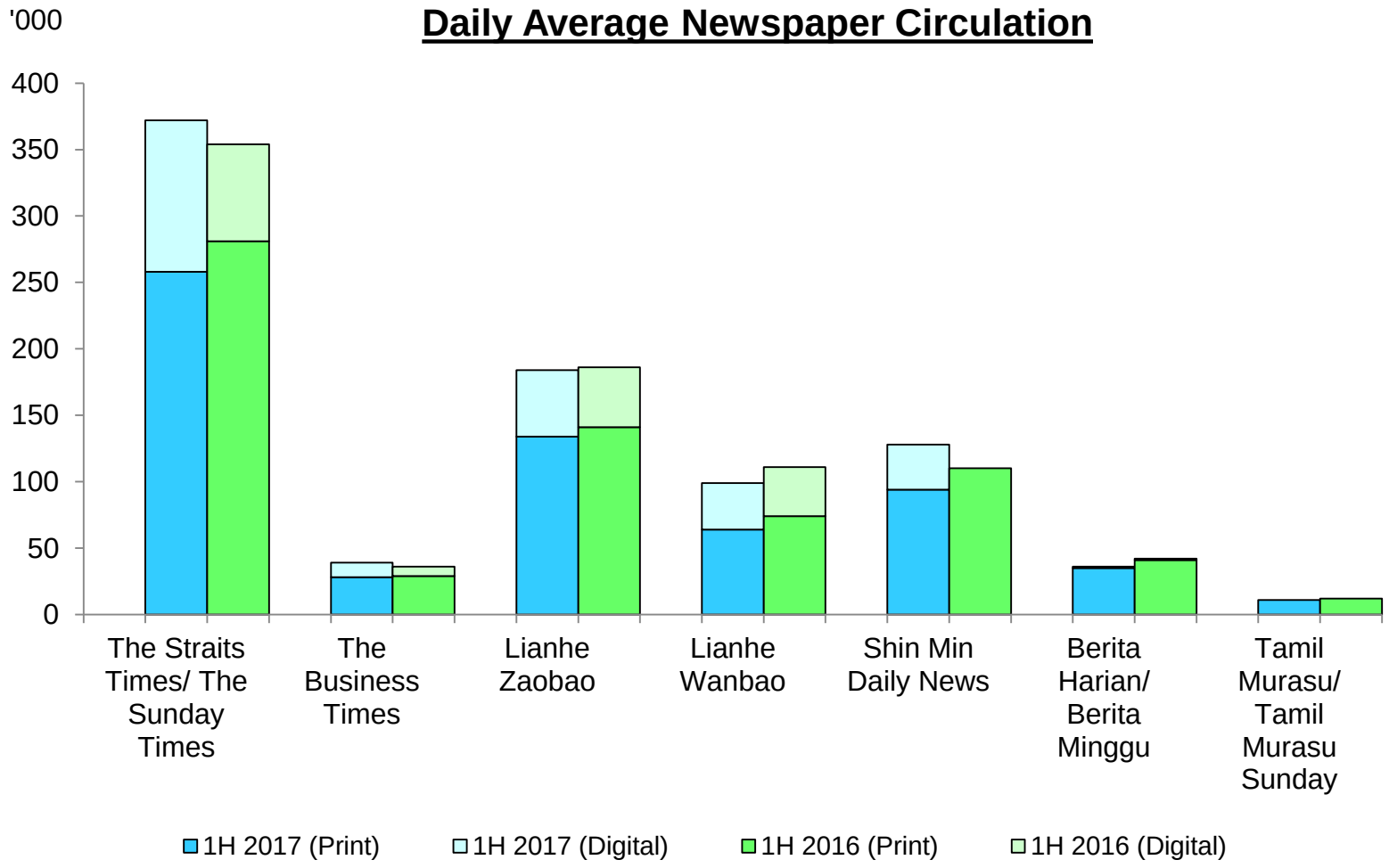
* Classified includes Recruitment and Notices

Advertising market remained soft



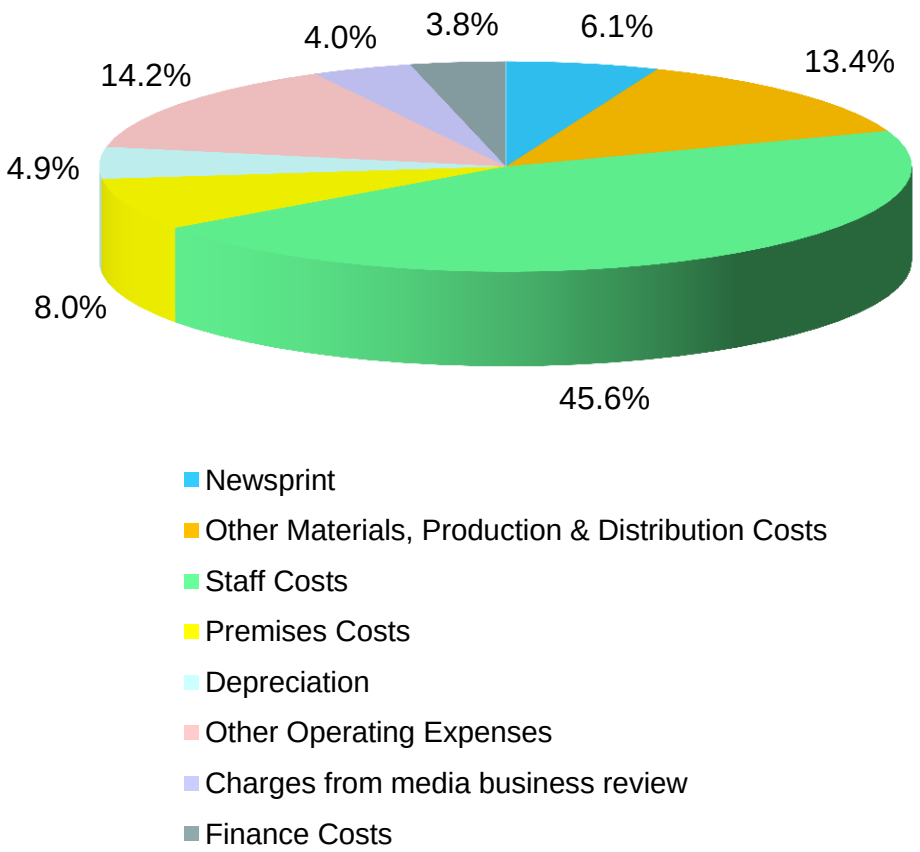
* Classified includes Recruitment and Notices

Circulation sustained by digital



Operating expenditure well-contained

1H 2017 Operating Expenditure Cost Composition (S$399.8m)



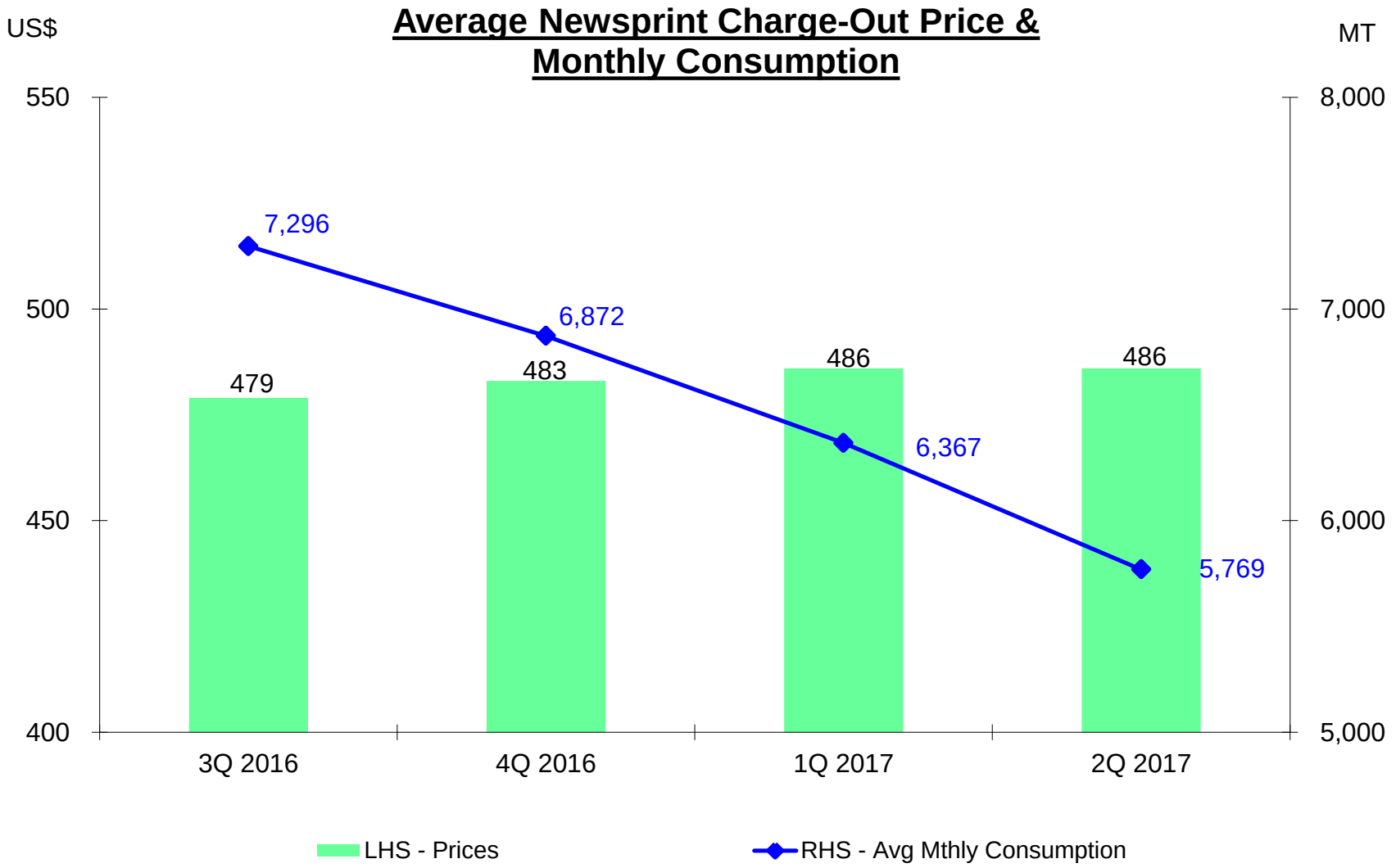
	S$'m
Charges relating to media business review and impairment of an associate	↑ 15.9
Newsprint	↓ 4.1
Other materials, Production & Distribution Costs	↑ 4.2
Staff Costs	↓ 1.6
Premises Costs*	↓ 4.1
Depreciation	↓ 2.7
Other Operating Expenses	↓ 9.0

* Last year included additional property tax on the Group's investment property.

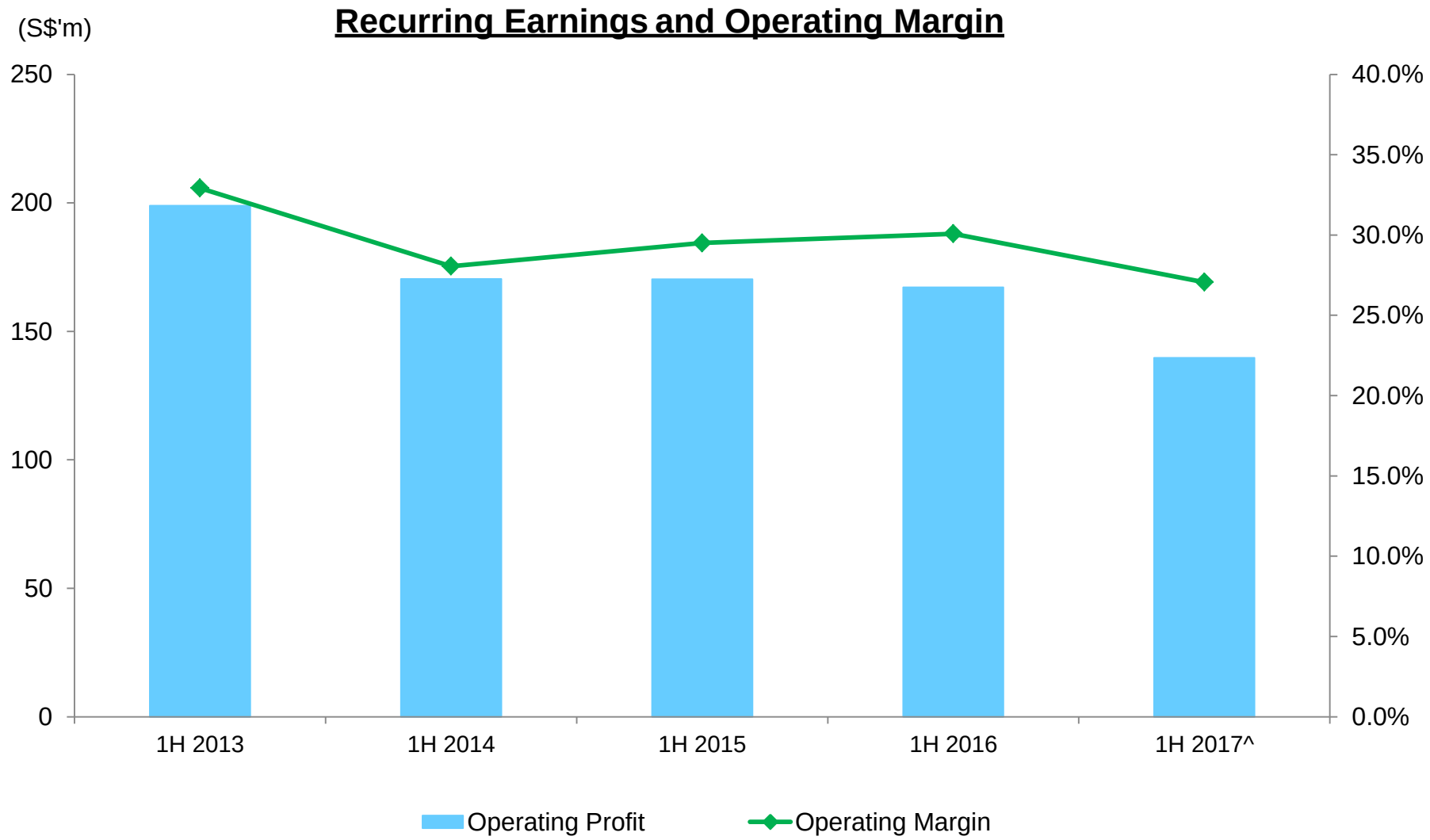
Lower headcount and staff costs

	1H 2017	1H 2016	Change %
Headcount as at end-February	4,041	4,255	(5.0)
Staff Costs (S$'000)	182,402	183,996	(0.9)

Newsprint prices expected to strengthen

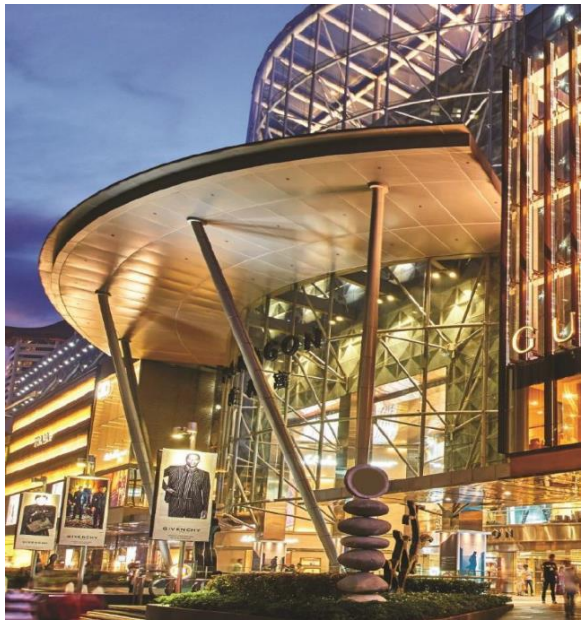


Good operating margins



^ Excluded charges of S$15.9m relating to the review of the media business and impairment of an associate.

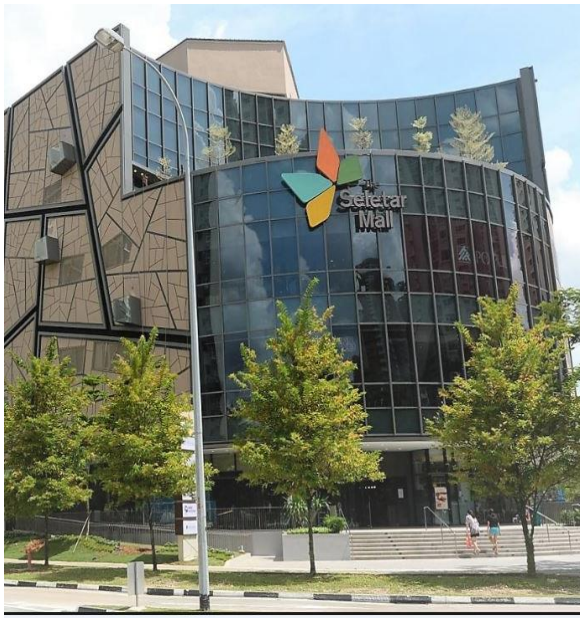
Sustained Property performance



Paragon



The Clementi Mall



The Seletar Mall

- Net Property Income (NPI) grew 5.9% to S$93.9m.
- 100% occupancy and positive rental reversions.

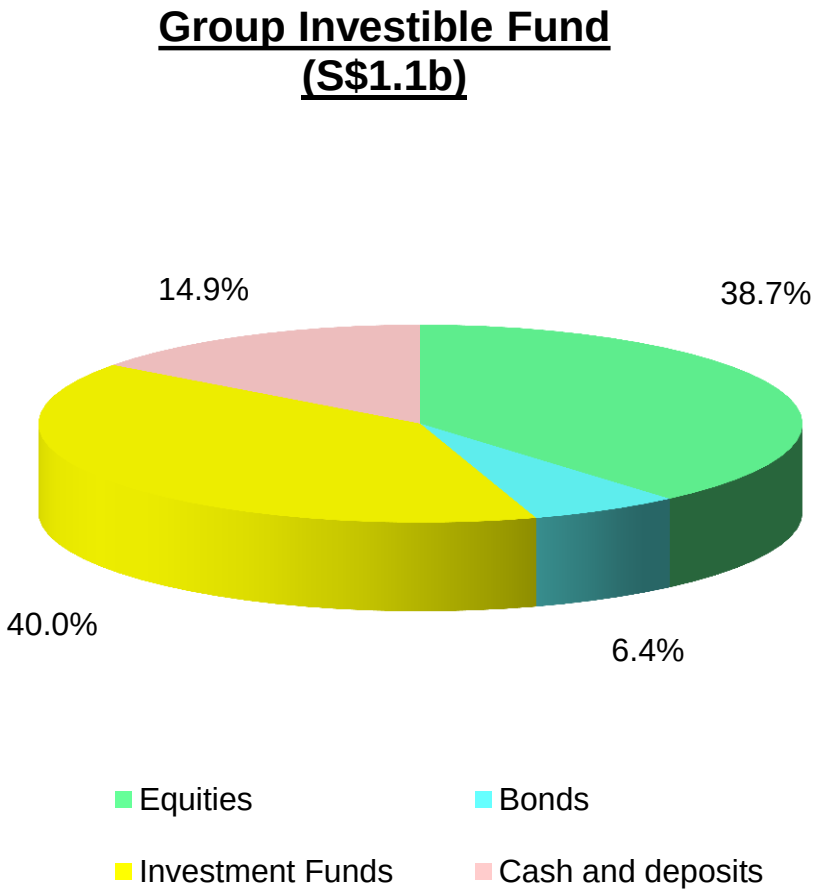
Rental Reversions

	Paragon	The Clementi Mall	The Seletar Mall
Number of renewals/new leases[(a)]	27	28	4
Renewals/new leases as a % of properties' NLA	7.2%	23.1%	0.9%
Rental reversion[(b)]	4.3%	8.3%	7.2%

(a) For expiries in 1H 2017.

(b) The change is measured between average rents of the renewed & new lease terms and the average rents of the preceding lease terms. The leases were typically committed three years ago.

Group investible fund



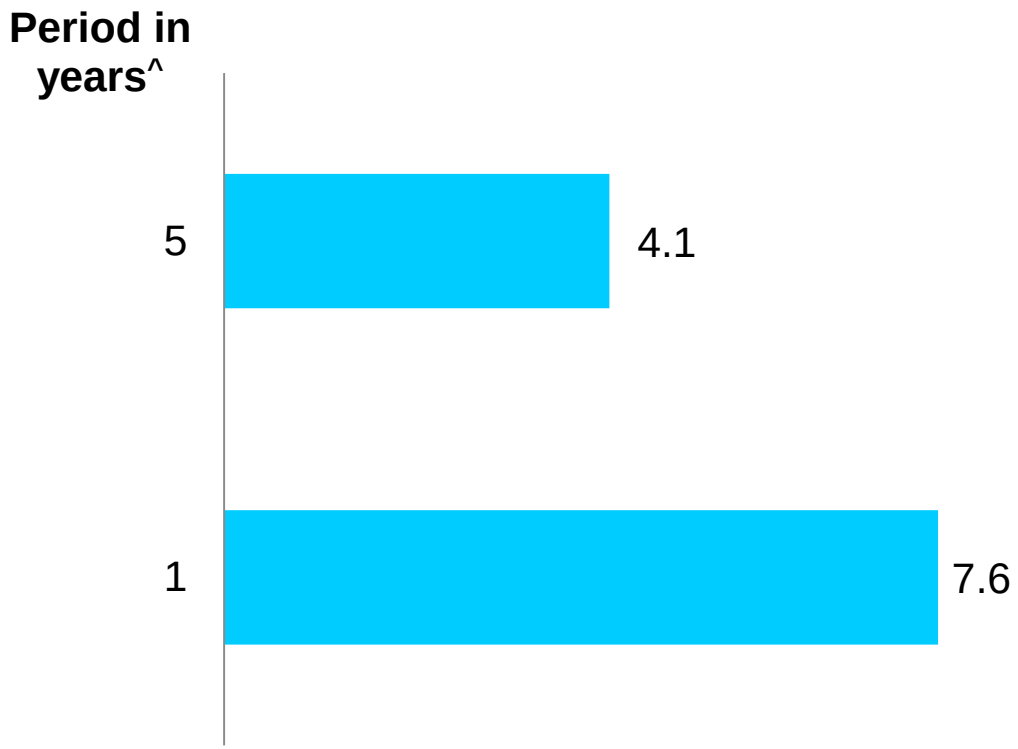
(As at February 28, 2017)

- 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

Portfolio Investment Performance

4.2%

annualised return since inception



^ As at February 28, 2017

Interim dividend

The Board has declared
an interim dividend of 6 cents per share

Growth Opportunities

Radio

A8 | TOP OF THE NEWS

| THE STRAITS TIMES | TUESDAY, MARCH 14, 2017 |

SPH wins tender for new English, Mandarin radio stations

Eddino Abdul Hadi
Music Correspondent

Singapore Press Holdings (SPH) Radio has won the tender for two new radio stations. One will be in English and the other in Mandarin, and they will be launched in December.

The Info-communications Media Development Authority of Singapore (IMDA) launched a public tender in June last year for proposals to operate radio stations on the two frequencies, FM 89.3, which is vacant, and FM 96.3, formerly occupied by Expat Radio 96.3FM.

One of the stations will be Singapore's first English business and personal finance radio station.

According to an IMDA statement, the station is targeted at PMEBs (professionals, managers, executives and businessmen), financial market participants as well as a general audience, and is aimed at "raising financial literacy of listeners".

The station will have content from two SPH newspapers, The Business Times as well as The Straits Times.

It will also work with an SPH subsidiary, financial portal ShareInvestor, which has one of the largest investor relations networks in Asia.

The other new radio station will be a Chinese infotainment station for active seniors aged 50 and above, said an SPH Radio spokesman.

"Through content tie-ups with community organisations and platform partners, the station will provide audiences with a wealth of trusted news information across media and empower them to discover and lead an active, meaningful lifestyle while accompanied by the memorable tunes of the golden 80s and 90s," added the spokesman.

The station will include content from SPH's Chinese newspapers Lianhe Zaobao, Lianhe Wanbao and Shin Min Daily News, and will also produce programmes with partners such as telco StarHub.

The SPH Radio spokesman added that the broadcaster "will be on the lookout for new talents who can deliver something different and unique to the radio landscape here".

SPH Radio currently has three stations – One FM 91.3, which plays mainstream and classic rock; Kiss92, which airs adult contemporary music; and UFM 100.3, which plays Chinese pop.

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Mr Patrick Daniel, chairman of SPH Radio and deputy chief executive officer of SPH, said: "We are delighted to have been awarded the licences to operate two more radio stations in Singapore. They will cater to new listener segments and increase the vibrancy of the local radio industry with their unique positioning and programming. Together with our three existing radio stations, we will deliver engaging and enriching content for both our listeners and advertisers."

Besides SPH Radio, Singapore has two other radio broadcasters – Mediacorp and Safra Radio. Mediacorp runs 12 stations in English, Mandarin, Malay and Tamil, while Safra Radio runs Power 98FM, an English station, and 88.3Jia FM, a bilingual station that plays both Mandarin and English songs.

IMDA received nine proposals from SPH Radio, Mediacorp, Rex Cinema, HT Overseas and Asia Today Singapore.

The unsuccessful tenders included Rex Cinema's proposal for a 24-hour Tamil station, HT Overseas' pitch for a 24-hour Hindi, Bengali and Tamil station playing music from Bollywood, Tollywood and Kollywood films, and Mediacorp's proposal for a 24-hour not-for-profit Chinese dialect station targeting listeners above 55.

dinohadi@sph.com.sg

Properties



- Acquired additional 20% stake in Perennial Chinatown Point LLP

ChinaTown Point 唐城坊

Investment in M1

- The Company is currently undertaking a strategic review of its investment in M1 Limited in which it holds a stake of approximately 13.3%.
- There is no assurance that any transaction will materialise from such strategic review.

Thank you

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