



SINGAPORE PRESS HOLDINGS LIMITED

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

SPH reports 7.5% rise in Second Quarter Net Profit to \$81.3 million

SINGAPORE, 11 April 2014 – Singapore Press Holdings Limited (SPH) today reported its results for the second quarter ended 28 February 2014 (2Q FY14). Net profit attributable to shareholders was \$81.3 million, \$5.7 million (7.5%) higher compared to 2Q FY13.

Group operating revenue of \$278.8 million was \$3.4 million (1.2%) lower compared to 2Q FY13. Total costs were up \$27.4 million (13.7%) to \$228.3 million due to one-off impairment charge, and higher bonus costs including a one-off special bonus for prior year arising from REIT profit and an incentive to drive growth.

The Group's results were lifted by a \$52.9 million gain on partial divestment of its stake in the regional online classified business.

The Group also took an impairment on portfolio investments due to prolonged decline in value (\$6.0 million). This led to a net loss from investments of \$5.5 million compared to a net gain of \$4.2 million in 2Q FY13.

Profit after taxation was higher by \$13.7 million (17.9%) against the corresponding quarter.

For the Newspaper and Magazine business, the Group is on track to deliver cost initiatives which would generate annual savings of \$19 million when implemented. The resulting efficiency gains and cost curtailment enabled the Group to contain its operating costs in the current quarter which saw declines in

advertisement and circulation revenue of \$11.2 million (6.6%) and \$1.8 million (3.8%) respectively.

To attain efficiencies and reduce printing costs, the Group optimised its printing capacity by removing one press line. However, a one-off impairment charge of \$9.9 million was taken. In addition, staff costs were up \$15.6 million mainly due to higher bonus costs including a one-off special bonus for prior year (\$10.4 million) arising from REIT profit and an incentive to drive growth.

Revenue for the Property segment rose \$1.5 million (3.0%) to \$51.7 million. The retail assets of SPH REIT, Paragon and The Clementi Mall, have turned in better performance on the back of higher rental income and full occupancy rates.

Revenue from the Group's other businesses doubled to \$15.4 million, boosted by contributions from exhibitions, online classified and the radio business. The segment was further lifted by the gain on partial divestment of \$52.9 million.

For the half year ended 28 February 2014 (1H FY14), Group operating revenue grew \$3.0 million (0.5%) while total costs rose by \$30.5 million (7.4%). Net loss from investments was \$0.4 million compared to a net gain of \$7.3 million in 1H FY13. Including the \$52.9 million gain on partial divestment, the net profit attributable to shareholders of \$170.1 million, after accounting for non-controlling interests of SPH REIT, was slightly behind 1H FY13 by 0.4%.

The Group completed an extensive organisational review to sustain the core print business through the dual-pronged approach of restructuring and transformation. A flatter organisational structure was unveiled, and jobs and work processes were redesigned to build high performing multi-platform newsrooms and integrated marketing teams to serve the evolving needs of readers and advertisers. Arising from the review, a total of 300 positions would be eliminated over time.

At the same time, the Group's digital capabilities were strengthened with the formation of a Digital division and a Media Strategy and Analytics division to focus on the digital area, with 70 new staff positions created. Riding on the complementing strengths of print and digital platforms, the Group is well poised to leverage on future opportunities in the digital arena.

On the outlook for the year, Mr Alan Chan, Chief Executive Officer of SPH commented: "Having completed our organisational review, the Group is now embarking on its transformation from a position of strength. With a leaner and more agile organisational structure in place, the Group is well placed to respond to the rapid changes in the media industry and structural shifts in consumer behaviour, and to pursue growth opportunities."

The Directors have declared an interim dividend of 7 cents per share which will be paid on 23 May 2014.

Issued by Singapore Press Holdings Limited

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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.

Newspapers, Magazines and Book Publishing

SPH has 19 titles licensed under the Newspaper Printing and Presses Act, of which nine are daily newspapers across four languages. On an average day, 3.05 million individuals or 76 per cent of people above 15 years old, read one of SPH's news publications. SPH also publishes and produces more than 100 magazine titles in Singapore and the region, covering a broad range of interests from lifestyle to information technology. SPH's subsidiaries, Straits Times Press and Focus Publishing, produce quality books and periodicals in English and Chinese.

Internet and Mobile

Beyond print, SPH's suite of digital products, including online editions of newspapers and magazines, as well as mobile applications, enjoy over 400 million page views with 20 million unique visitors every month. Apart from AsiaOne, SPH's online and new media initiatives include ST701, the leading online marketplace for jobs (STJobs), property (STProperty), cars (STCars) and general classifieds (STClassifieds); Stomp, omy.sg and The Straits Times RazorTV. SPH also launched The Straits Times' iPad and enhanced iPhone applications, an Android smartphone application and The Business Times' iPhone application. SPH's Chinese flagship newspaper Lianhe Zaobao has also launched its digital editions which include a web application, as well as online and PDF versions.

Broadcasting

In the radio business, SPH Radio Pte Ltd operates entertainment stations UFM 100.3 in Mandarin, as well as Kiss92 and HOT FM91.3 in English. SPH has a 20 per cent stake in MediaCorp TV Holdings Pte Ltd, which operates free-to-air channels 5, 8 and U, and a 40 per cent stake in MediaCorp Press Limited, which publishes the free newspaper, Today.

Events and Out-of-Home Advertising

SPH's events arm Sphere Exhibits organises innovative consumer and trade

events and exhibitions as well as large scale conferences in Singapore and the region. In addition, SPH has ventured into out-of-home (OOH) advertising through its digital out-of-home platform SPHMBO.

Properties

SPH REIT is a Singapore-based REIT established principally to invest, directly or indirectly, in a portfolio of income-producing real estate which is used primarily for retail purposes in Asia-Pacific, as well as real estate-related assets. SPH REIT is managed by SPH REIT Management Pte. Ltd., which is a wholly-owned subsidiary of Singapore Press Holdings Limited.

The initial portfolio of SPH REIT comprises the following two high quality and well located commercial properties in Singapore:

- Paragon, a premier upscale retail mall and medical suite/office property, well known for its upscale mall housing many luxury brands, located in the heart of Orchard Road; and
- The Clementi Mall, a mid-market suburban mall located in the centre of Clementi town, an established residential estate in the west of Singapore.

The Seletar Mall is SPH's latest retail development and is expected to open at the end of 2014. This property is a potential asset to be injected into SPH REIT. SPH's wholly-owned subsidiary, Times Development Pte Ltd, also developed a 43-storey upmarket residential condominium, Sky@eleven, at Thomson Road.

For more information, please visit www.sph.com.sg