



Making  
**Sense**  
of a changing world

# Singapore Press Holdings

**FY2013 Financial Results**  
**11 October 2013**

# Group FY2013 financial highlights

	FY2013 S\$'000	FY2012 S\$'000 Restated <sup>@</sup>	Change %
Operating Revenue	1,239,452	1,272,913	(2.6)
Operating Profit <sup>#</sup>	369,288	428,822	(13.9)
Fair value gain on investment properties <sup>@</sup>	111,407	198,710	(43.9)
Investment Income	13,971	32,590	(57.1)
Net Profit attributable to shareholders	430,954	574,704	(25.0)

<sup>@</sup> With effect from this financial year, 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 were restated.

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

# Group FY2013 financial highlights

Operating Revenue	FY2013 S\$'000	FY2012 S\$'000 Restated	Change %
Newspaper and Magazine	991,220	1,031,227	(3.9)
Property	198,139	191,421	3.5
Others	50,093	50,265	(0.3)
	<b>1,239,452</b>	<b>1,272,913</b>	<b>(2.6)</b>

## Newspaper and Magazine

- Advertisement revenue fell S\$31.7m (4.0%)
- Circulation revenue declined S\$7.2m (3.6%)

## Property

- Increase due to higher rental rates achieved by Paragon.
- Income from The Clementi Mall remained stable.

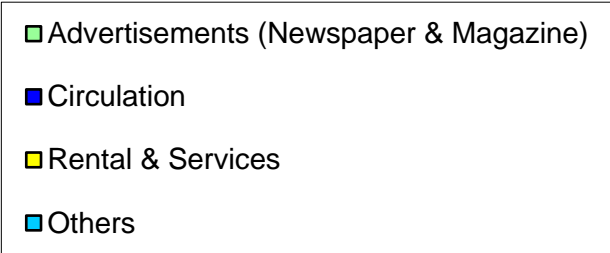
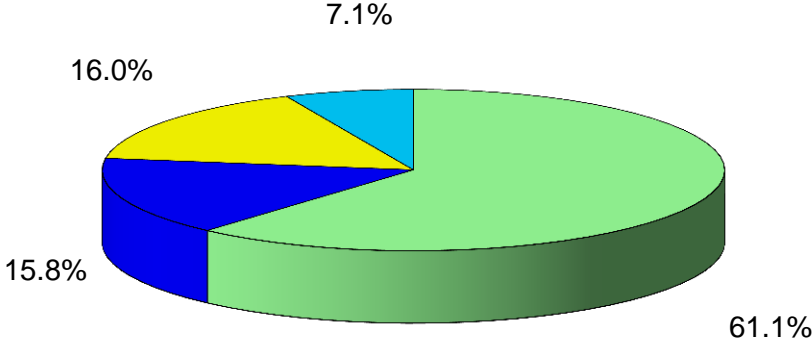
## Group FY2013 financial highlights

Profit/(Loss) before taxation	FY2013 S\$'000	FY2012 S\$'000 Restated	Change %	Note
Newspaper and Magazine	293,340	330,332	(11.2)	(a)
Property	222,417	317,260	(29.9)	(b)
Treasury and Investment	11,385	31,118	(63.4)	(c)
Others	(38,043)	(19,760)	92.5	(d)
	<b>489,099</b>	<b>658,950</b>	<b>(25.8)</b>	

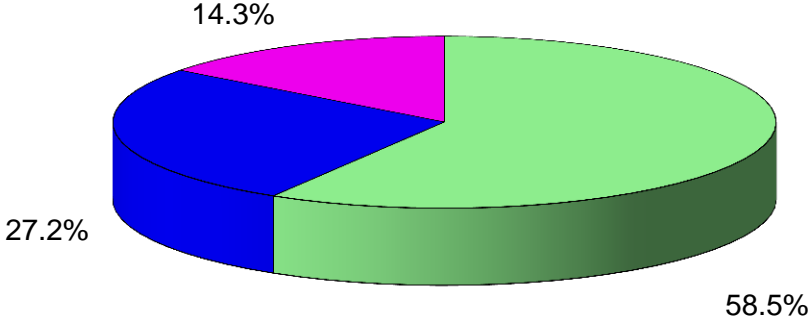
- (a) Lower operating revenue from Newspaper and Magazine and impairment of S\$15.6 million for Blu Inc HK/China.
- (b) Decline in profit from the Property business due to lower fair value gain from the adoption of fair value model for investment properties (S\$87.3 million)
- (c) Treasury performance was impacted by impairment of S\$17.6 million on portfolio investments, mainly India
- (d) Others segment was impacted by stepped up investments in ST701 and provision for loss on divestment of OpenNet

# Group FY2013 highlights

**Operating Revenue Composition  
(S\$1,239.5m)**

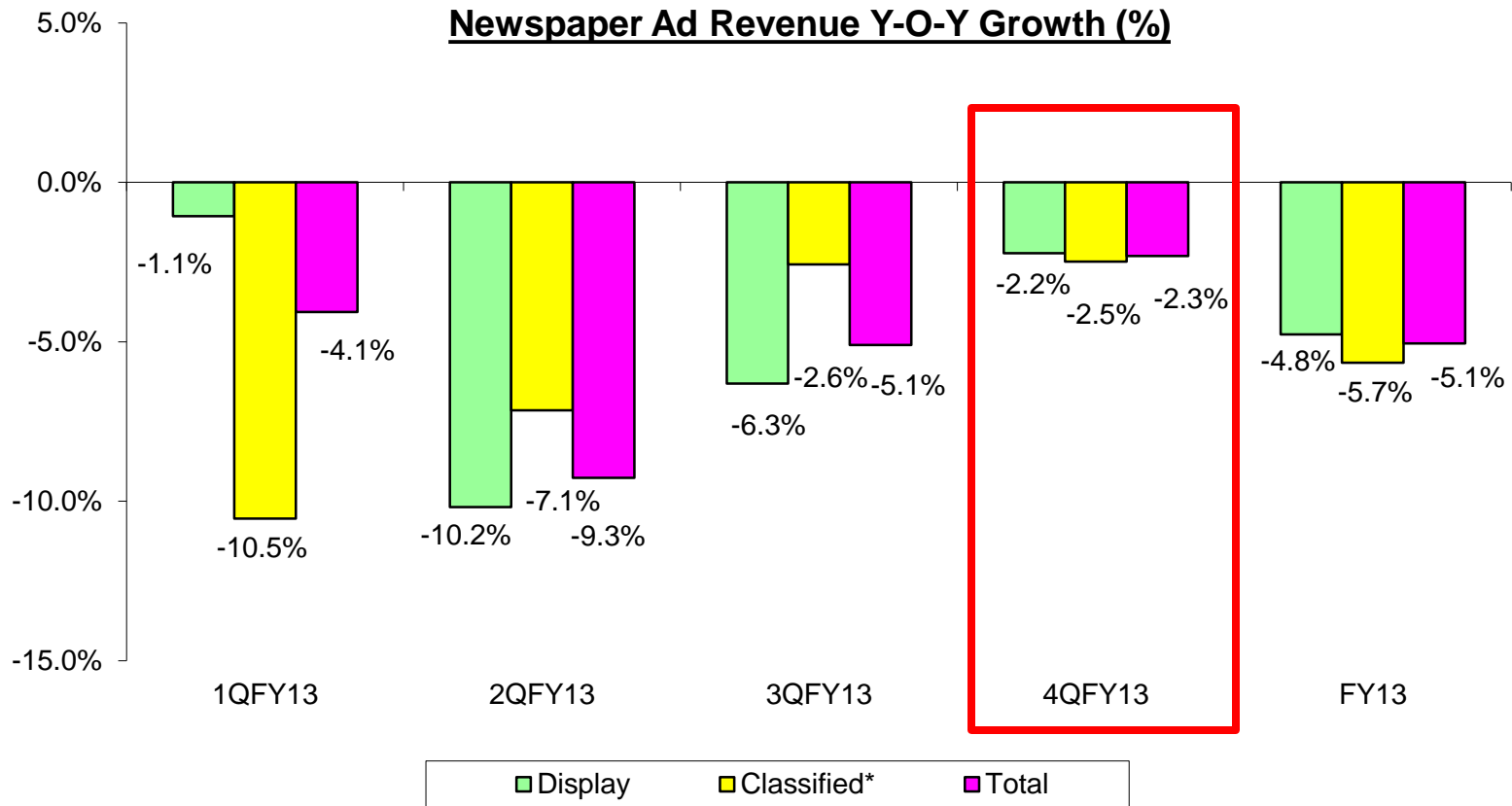


**Newspaper and Magazine  
Advertisement Revenue Composition  
(S\$757.2m)**



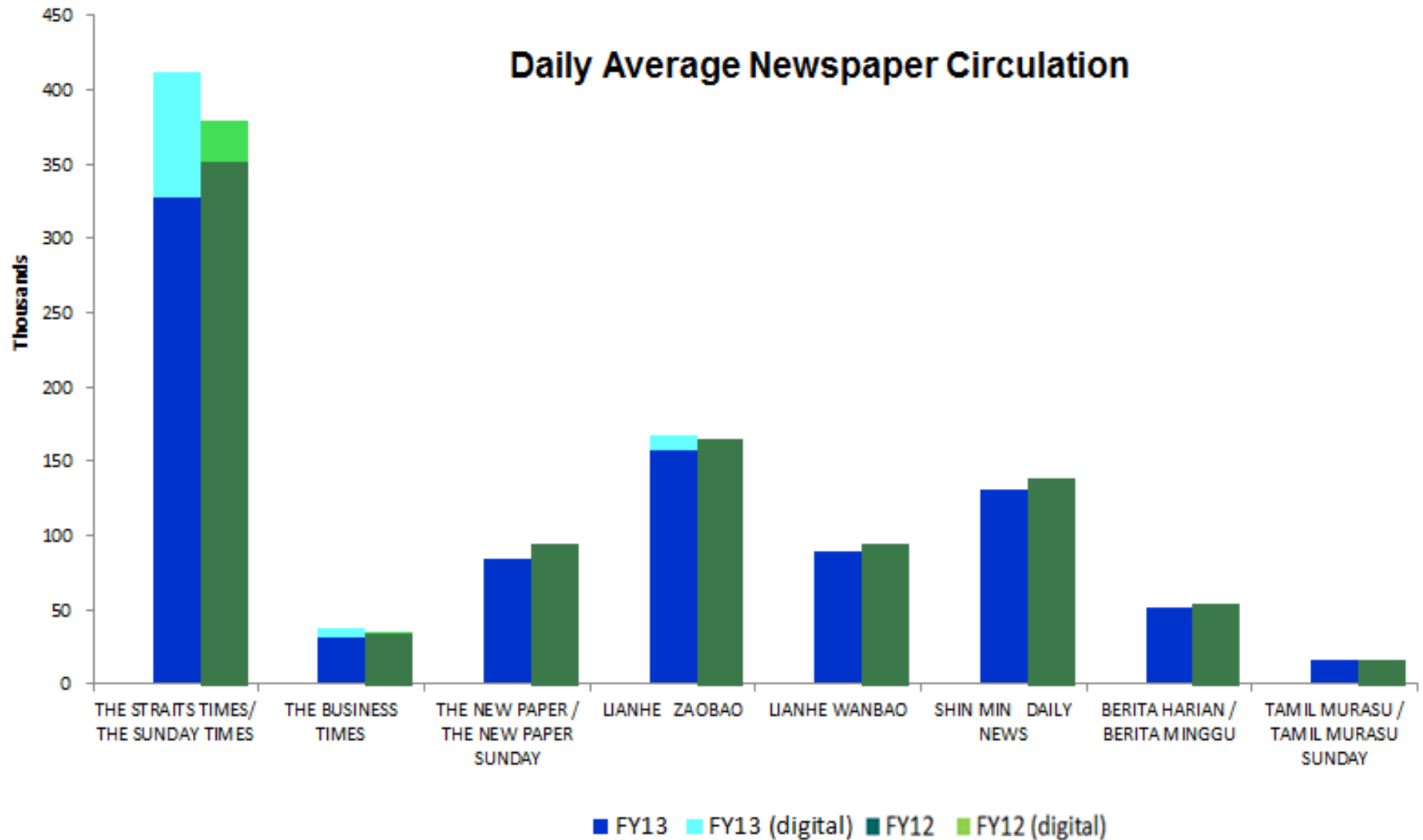
\* Classified includes Recruitment and Notices

# Rate of ad revenue decline appears to have moderated in 4Q FY13



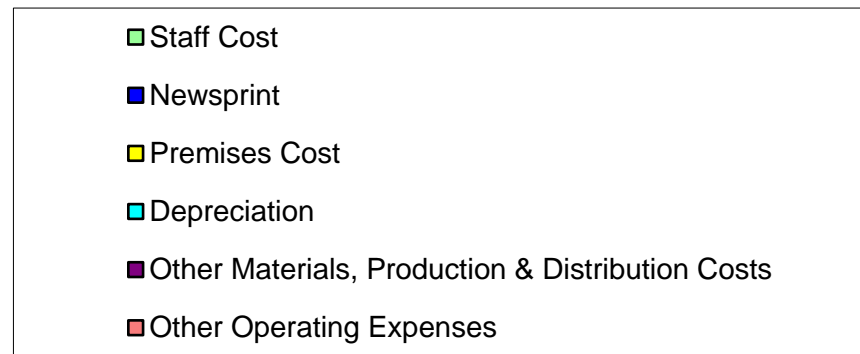
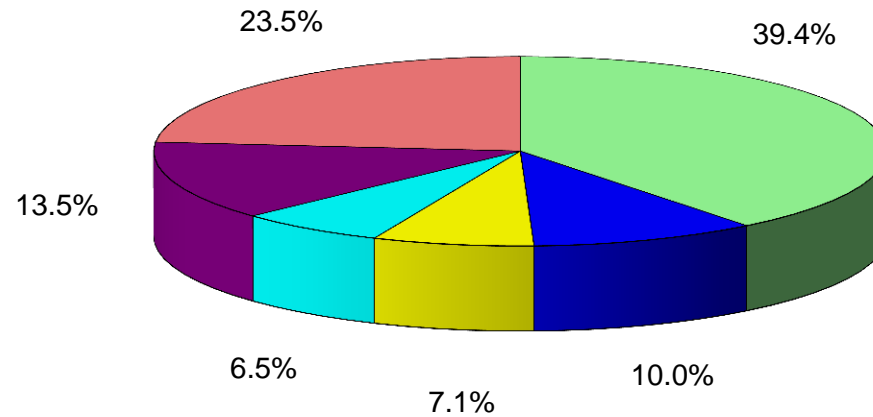
\* Classified includes Recruitment and Notices

# Circulation copies increased with digital sales



# Group FY2013 highlights

## Cost Composition (\$888.4m)





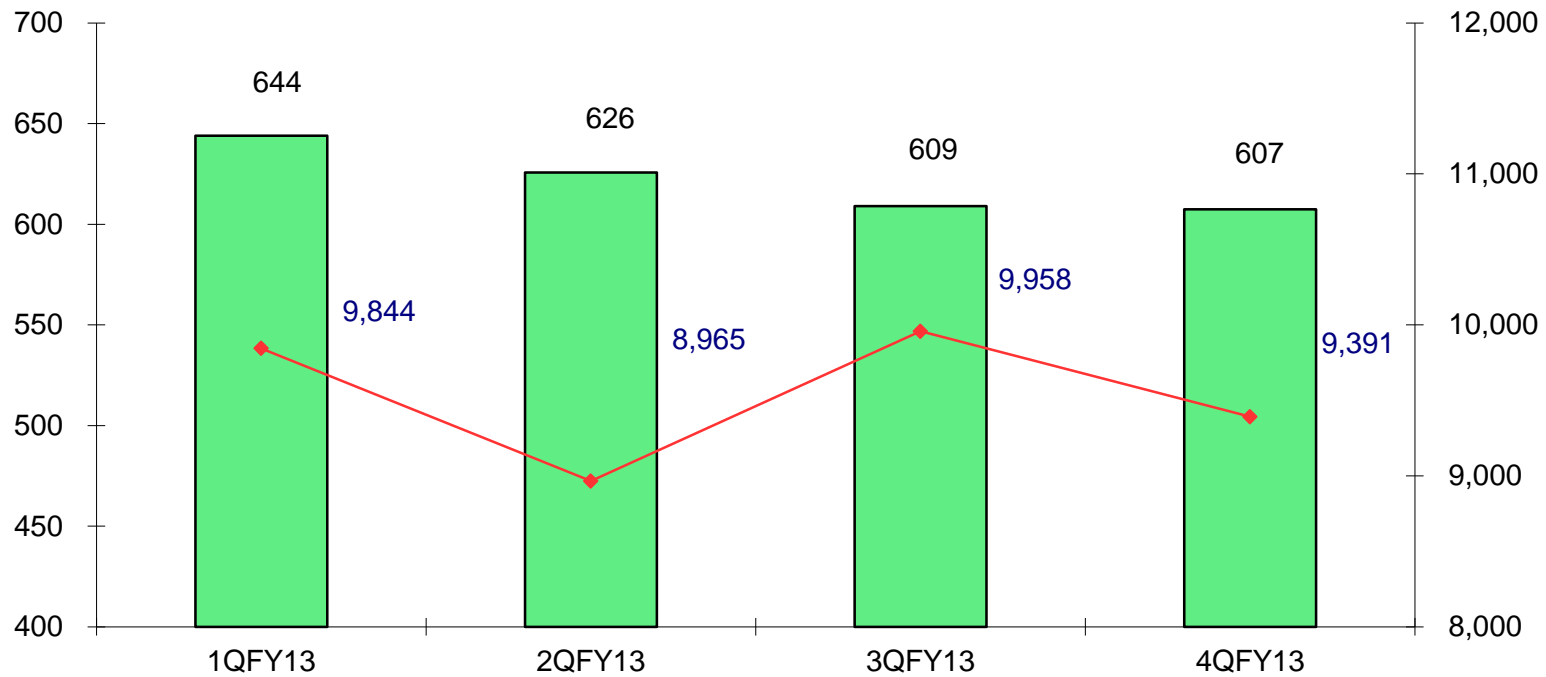
## Staff costs decreased 2.9%

	FY2013	FY2012	Change %
Staff Cost (\$\$'000)	349,643	360,160	(2.9)
Average Headcount	4,349	4,228	2.9

Lower staff costs as headcount increase plus salary increments were offset by variable bonus provision

# Newsprint prices are expected to remain flat in the near term

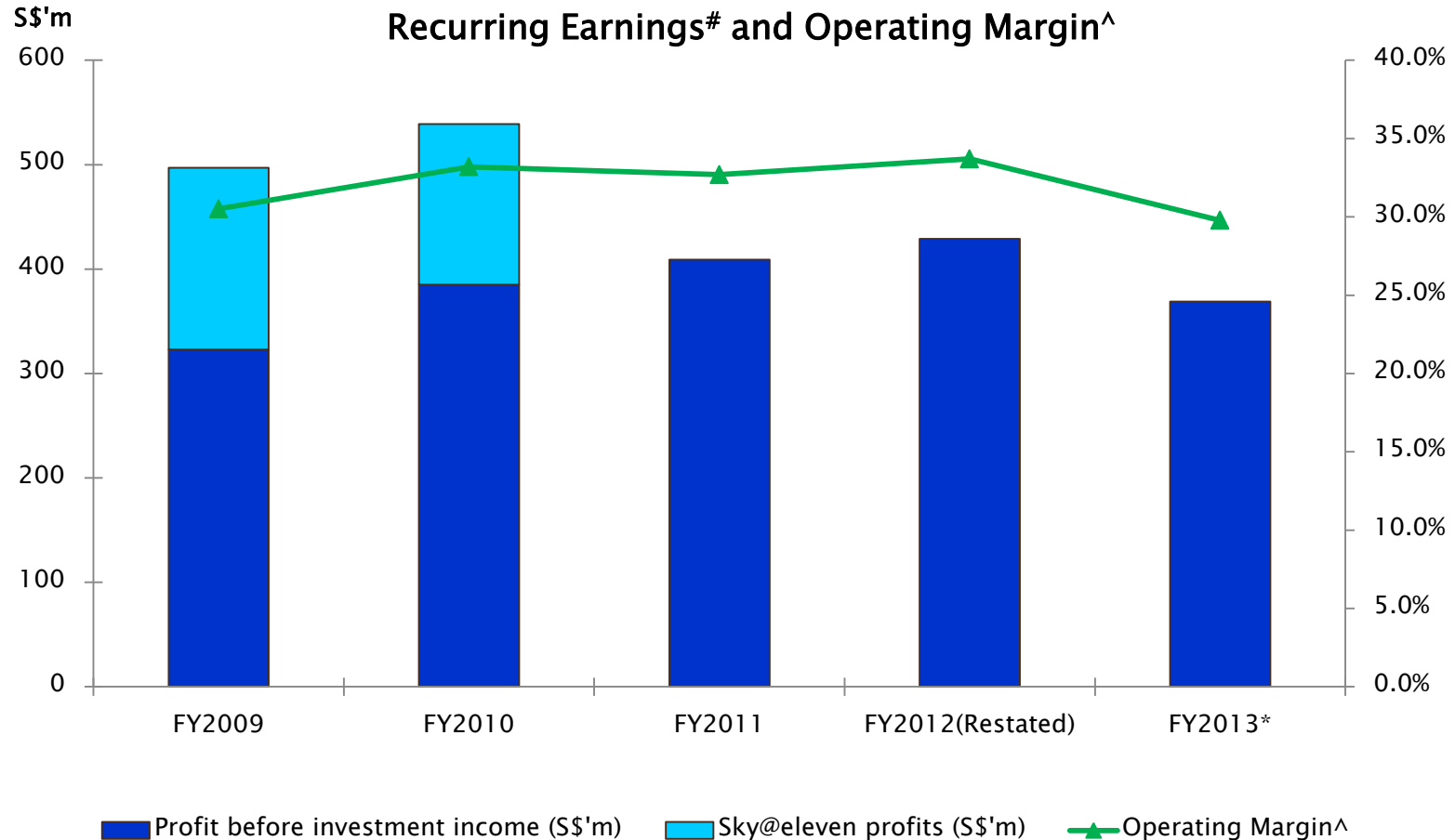
**Average Newsprint Charge-Out Price & Monthly Consumption**



■ LHS - Prices (US\$)

◆ RHS - Ave Mthly Consumption (MT)

# Healthy operating margins



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

<sup>^</sup> Recurring earnings exclude Sky@eleven.

\* Excluding the non-recurring charges, operating margin for FY2013 was 31.9%.

# Our Strategy Ahead

- The Group has engaged strategy consultant to review new growth opportunities whilst exploring ways to reinvigorate the core media business
- We have identified various initiatives which, when implemented, would generate annual cost savings of about S\$19 million
- Project team working on further initiatives to further improve revenue and profits
- Two examples of such initiatives include:-
  - Reducing newspaper returns
  - Workflow changes to better utilise the printing presses
- Establishment of S\$100 million New Media Fund to invest in media-related businesses to stimulate growth



# Successful listing of SPH REIT

## SPH Reit off to healthy start

Counter rises 9.4 per cent in debut; one of most actively traded securities on the day

By ONG CHOR HAO

SPH Reit ended its trading debut on a high note, gaining 9.4 per cent from its initial public offering (IPO) price to close at 98.5 cents yesterday.

The counter, which was priced at 90 cents per unit, was one of the most actively traded on the day as well, with about 122 million units changing hands.

There was little surprise to the first-day bump, said Ong Kian Lin, analyst at Maybank Kim Eng, as the Reit had been much sought after by investors. The offer-



**Off with a bang:** SPH chairman Lee Boon Yang (fifth from left), joined by SGX CEO Magnus Bocker and other top executives and directors at yesterday's listing ceremony for SPH Reit. PHOTO: CHOW PAK WENG/IANHE ZAOBAO

- SPH REIT was established with the injection of Paragon and The Clementi Mall, and was listed on SGX-ST on 24 July 2013
- The Group retains a 70% stake in SPH REIT
- A special dividend of 18 cents per share in relation to the listing of SPH REIT was paid on 16 August 2013

*The Business Times, 25 July 2013*



# Property



- Higher rental income due to higher rental rates
- Market value of S\$2.6b



- Rental income remained stable
- Market value of S\$0.5b

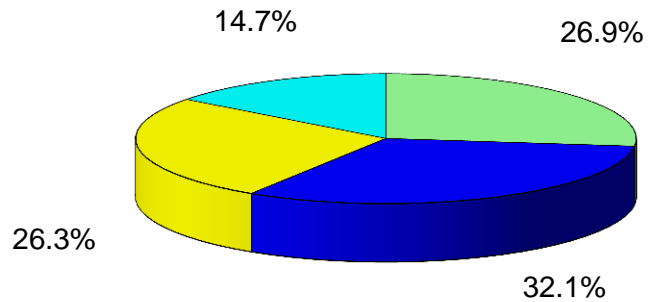


- Will be the largest suburban lifestyle hub in the North-East
- Gross development value of S\$0.5b
- Completed by December 2014

The Group changed its accounting policy for investment properties from cost to fair value basis. The change in fair value resulted in an increase in retained earnings of S\$1.4b and FY2013 profits of S\$111.4m.

# Group investible fund

## Group Investible Fund (\$\$1.7b)



(As at August 31, 2013)

The Group will maintain a conservative stance on its investment portfolio allocation

Returns are expected to be commensurate with a lower risk-return profile to mitigate against higher volatility

# Online Classifieds with Enterprise Value of S\$303 million\*



- ◆ No. 1 local website in Malaysia, with 650 million monthly page views<sup>1</sup>
- ◆ Profitable since FY2012



- ◆ No. 2 classifieds website in Indonesia, with close to 400 million monthly page views<sup>1</sup>



- ◆ No. 2 classifieds website in the Philippines, with close to 200 million monthly page views<sup>1</sup>



- ◆ No. 1 classified website in Vietnam
- ◆ Achieved 9-fold increase in monthly page views<sup>1</sup> compared to last year

\* As at 1 September 2013

Data source:  
<sup>1</sup> Xiti, August 13



# Growing listenership for all our radio stations

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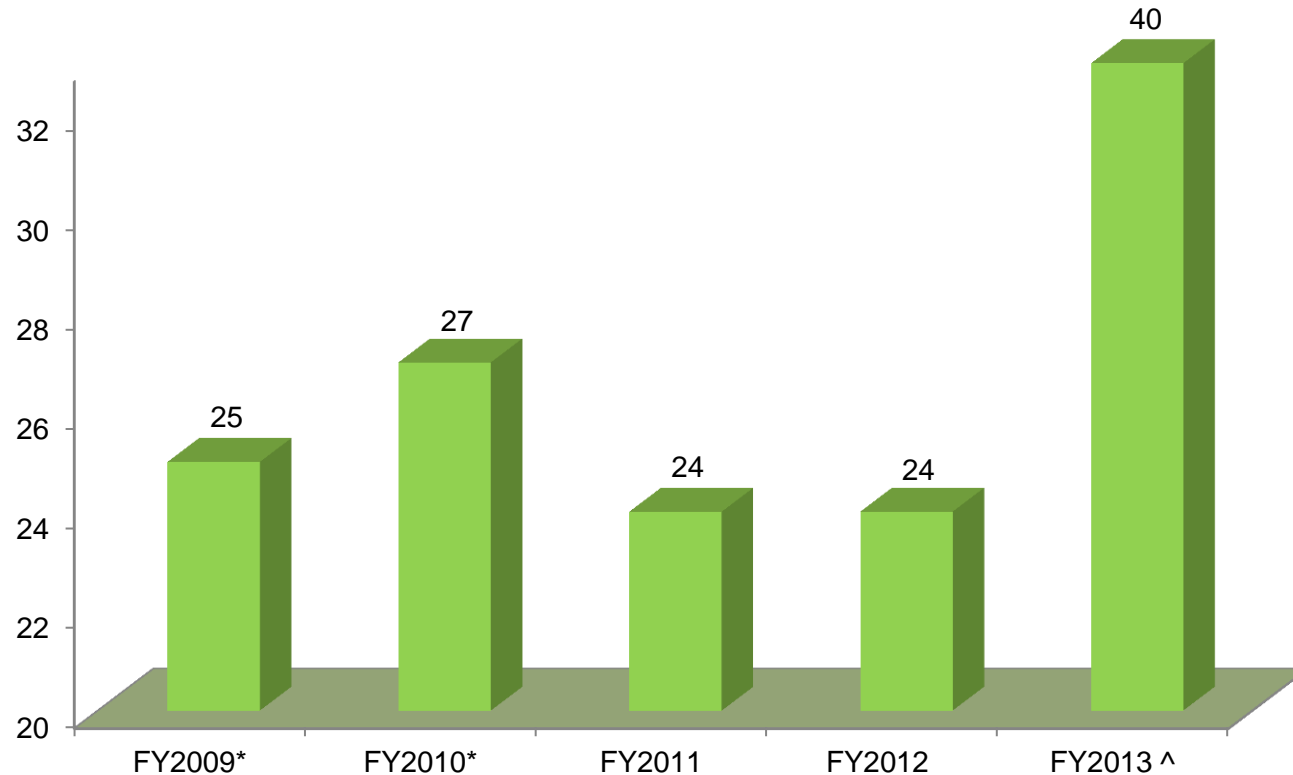


**SINGAPORE'S**  
**HOTTEST HITS**

\* Source: Nielsen Radio Diary Survey

# All time high payout, 40 cents<sup>^</sup> Final dividend per share of 15 cents

Net dividend per share (cents)



\* FY2009 to FY2010 included profits from the Group's Sky@Eleven development

<sup>^</sup> Total dividend for FY2013 comprises 7 cents interim, 15 cents final, and special dividend of 18 cents in relation to the listing of SPH REIT

# Thank you

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