



SINGAPORE PRESS HOLDINGS LIMITED

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

SPH reports First Quarter Net Profit of \$45.7 million

SINGAPORE, 13 January 2017 – Singapore Press Holdings Limited (SPH) today reported that for its first quarter ended 30 November 2016 (1Q 2017), net profit attributable to shareholders was \$45.7 million, \$35.6 million or 43.8% lower compared to the same period last year (1Q 2016).

The fall in net profit largely arose from a \$28.2 million year-on-year (“yoy”) drop in group recurring earnings to \$70.8 million. This was attributable to charges of \$15.9 million arising from the media business review and impairment of an associate, and a decline of \$12.6 million in profits in the media business. In addition, the first quarter saw a net loss from investments of \$1.8 million compared to a net gain of \$10.3 million in 1Q 2016, mainly due to a fair value loss on forward hedges for portfolio investments.

The charges incurred, as the Group moved to implement initiatives identified in a recently completed media business review, comprised mainly \$7.2 million of retrenchment and outplacement benefits as part of an ongoing Group-wide right-sizing exercise involving a staff reduction of up to 10% over two years, and an impairment charge of \$2.6 million arising from the optimisation of printing capacity. The impairment charge of \$4.8 million on an associate was taken in conjunction with the restructuring of the video business.

Excluding the \$15.9 million charges, group recurring earnings would have declined by a lower \$12.3 million or 12.4% yoy.

Group operating revenue fell by 6.0% yoy to \$278.3 million. The slowing economy and ongoing disruption of the media industry continued to weigh on the media business, which saw a 9.5% yoy drop in revenue, largely due to a 13.5% fall in advertisement revenue. Circulation revenue was up 1.8% against 1Q 2016, bolstered by the positive impact of newspaper cover price increases implemented on 1 March 2016.

The performance of the Property segment remained resilient despite a depressed retail environment, with revenue up 1.3% yoy to \$60.5 million on higher rental income from the retail assets of the Group.

Revenue from the Group's other businesses grew 17.9% to \$15.9 million against 1Q 2016, lifted by higher contribution from the exhibitions business.

For the quarter, total costs amounted to \$211.1 million, 2.6% higher than same period last year. Excluding the \$15.9 million charges, operating expenditure fell 5.2% yoy, a result of the Group's emphasis on cost management. SPH will also be implementing wage restraint measures in 2017 to further contain costs. Senior management will set the tone with a wage freeze while all other employees will receive a lower Annual Increment.

On the business outlook, Mr Alan Chan, Chief Executive Officer of SPH, said: "Having completed our comprehensive business review in October 2016, we are forging ahead with our transformative agenda to strengthen the Group's position in an increasingly tough economic and media environment. We will focus on continued innovation and investment in the media business to stay ahead and stay relevant, improve cost efficiency with a leaner organisation and wage restraint measures, and grow business adjacencies to diversify revenue streams."

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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.

Media

The English/Malay/Tamil Media group comprises the print and digital operations of The Straits Times, The Business Times, The New Paper, Berita Harian and their respective student publications. It also includes subsidiaries Tamil Murasu Ltd, which publishes Tamil Murasu and tabla!; book publishing arm Straits Times Press; SPH Data Services, which licenses the use of the Straits Times Index, in partnership with the Singapore Exchange and FTSE-Russell Ltd; financial data company ShareInvestor; and the two English stations of SPH Radio - Kiss92 and ONE FM 91.3 and SPH Golf (including SPH Pacom Ltd).

The Chinese Media group publishes three Chinese newspapers in print and digital format - Lianhe Zaobao, Lianhe Wanbao and Shin Daily News; four student weeklies - zbCOMMA, Thumbs Up, Thumbs Up Junior and Thumbs Up Little Junior, and ZBBZ Newsgazine. It also operates SPH Radio's Chinese radio station, UFM100.3, and Focus Publishing, which produces a range of books and magazines including U-Weekly.

SPH's other new media initiatives include AsiaOne, Stomp, zaobao.sg, zaobao.com and SPH Razor.

On an average day, 2.5 million¹ individuals or 59 per cent of people above 15 years old, read one of SPH's news publications in print copies or one of our digital platforms.

SPH Magazines, SPH's wholly-owned subsidiary, publishes and produces more than 100 magazine titles and has various online sites, like

¹ Nielsen Media Index 2016, Monday-Sunday, read any SPH newspapers in print or digital format

hardwarezone.com, herworldplus.com and luxuryinsider.com in Singapore and the region, covering a broad range of interests from lifestyle to information technology. It has also invested in digital newsstand Magzter.

SPH also provides out-of-home (OOH) advertising options where it manages large format digital screens and static billboards at key locations in the Central Business District, Orchard Road, City Fringe as well as major heartland hubs.

SPH Buzz is a modern retail convenience chain with a network of stores around the island.

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.

Properties

SPH REIT is a Singapore-based REIT established to invest in a portfolio of income-producing real estate primarily for retail purposes. SPH REIT comprises Paragon, a premier upscale retail mall and medical suite/office property in Orchard Road and The Clementi Mall, a mid-market suburban mall in the centre of Clementi town.

The Seletar Mall, located in Sengkang, is SPH's latest retail development. 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.

Other Businesses

Online Classifieds

SPH's online classifieds include the leading online marketplace for jobs (STJobs, FastJobs), property (STProperty), cars (STCars) and general classifieds (STClassifieds, Trezo), sgCarMart and StreetSine.

SPH's regional joint venture online classifieds business has a number of leading online classifieds sites in the region.

Events and Exhibitions

Sphere Exhibits, Sphere Conferences, Exhibits Inc and Bizlink Exhibition Services organise innovative consumer and trade events and exhibitions as well as large scale conferences in Singapore and the region.

Education

SPH has a 22 per cent stake in preschool and enrichment provider MindChamps.

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