



SINGAPORE PRESS HOLDINGS LIMITED

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

SPH REPORTED REVENUE DECLINED 4% IN 1QFY20; GROWS STUDENT ACCOMMODATION PORTFOLIO TO \$1.5 BILLION

- *Continuing with digital innovation at Media segment to transform business*
- *Doubling student accommodation portfolio value with £448 million investment in UK Purpose-Built Student Accommodation (PBSA) in Dec 2019*
- *Expanding Property segment's recurring income base with enlarged SPH REIT and student accommodation portfolio*

SINGAPORE, 13 Jan 2020 – Singapore Press Holdings Limited (SPH) reported total revenue fell 3.8% or \$9.7 million to \$249.0 million for the first quarter ended 30 Nov 2019 (1QFY20) mainly due to lower newspaper print advertisement revenue. The decline in the Media segment was cushioned by improved revenue from the expanded UK student accommodation portfolio and SPH REIT.

Total costs rose 6.1% or \$11.2 million to \$195.1 million partly due to higher operational costs arising from the enlarged student accommodation portfolio and SPH REIT. Staff costs edged down by 2.4% or \$2.1 million as part of a policy of ongoing cost management. There were also one-time retrenchment costs of \$7.2 million arising from a rationalisation exercise involving the Media sales and content teams in October 2019. Operating profit was 27.9% or \$20.9 million lower at \$53.9 million. Excluding the retrenchment costs, underlying operating profit would have been 18.3% lower or \$13.7 million at \$61.1 million.

Net profit attributable to shareholders fell 17.2% or \$9.6 million to \$46.3 million.

Segmental Highlights

Revenue for the Media segment for 1Q FY20 shrank 13.6% or \$22.0 million to \$140.1 million as Newspaper print advertisement revenue fell 19.8%. However, Newspaper digital ad revenue continued to show healthy growth with a rise of 8.8% compared with a year ago.

Total circulation volume has grown, partly a result of the News Tablet campaign. Daily average newspaper digital sales increased by 109,092 copies or 49.8%, outweighing the drop in daily average newspaper print sales of 51,010 copies or 10.3%. Circulation revenue fell 4.3% or \$1.5 million for the quarter.

Profit before tax for the Media segment declined 76.8% or \$24.8 million in part due to the lower revenue as well as the retrenchment costs of \$7.2 million.

The Property segment enjoyed a rise in revenue of 18.9% or \$12.9 million to \$80.8 million boosted by an expanded student accommodation portfolio and SPH REIT. Profit before tax rose 38.2% or \$15.2 million to \$54.9 million, boosted by a price adjustment of \$10.5 million to an asset in the student accommodation portfolio. The Property segment's contribution to the Group's profits stands at about 80%.

Mr. Ng Yat Chung, Chief Executive Officer of SPH, said: "Our core media business remains challenged as advertisers cut back on their advertising due to the uncertain business outlook. However, we are encouraged by the response to our digital transformation initiatives including the News Tablet campaign. The recent addition of 2,383 beds to our UK PBSA portfolio and the expansion of SPH REIT into Adelaide post 1QFY20 will strengthen our efforts to boost recurring income from the Property segment."

Operational Highlights

The Group continues to focus on digital innovations to address the challenges in the Media segment. Following on from the successful circulation drive with the News Tablet campaign for Lianhe Zaobao and Berita Harian, SPH's flagship The Straits Times

is the latest to launch its subscriber package. Within three weeks of the December 18 launch, there were more than 5,000 sign-ups, of which more than half are new.

Within Property, the PBSA business diversified geographically out of the UK with the acquisition in November 2019 of a freehold asset in the Northern German city of Bremen for \$23.4 million. Also in November, SPH REIT acquired a 50% stake in Westfield Marion Shopping Centre in Adelaide, Australia for A\$670 million. Westfield Marion is the largest shopping centre in Adelaide and South Australia, with a 99.3% occupancy rate. The Australian deal was completed post 1QFY20.

Post 1QFY20, SPH grew its PBSA portfolio value to \$1.5 billion with a £448 million investment to acquire the Student Castle portfolio. The acquisition involved 2,383 beds across 7 UK cities as well as the operating platform which includes the premium Student Castle brand, its proprietary booking system and employees.

84% of these beds are in close proximity to top-ranked and Russell Group universities including the world-renowned University of Oxford and University of Cambridge. Together with SPH's Capitol Students brand, the Group now has an enhanced portfolio with offerings that cater to both the mid and high-end markets for local and international students.

With this latest acquisition, SPH's PBSA presence has expanded to 7,726 beds across 28 assets and 18 cities in UK and Germany, underpinning the Group's position as a leading player in the UK PBSA market.

Construction at the Woodleigh development is proceeding according to schedule. The pace of sales at Woodleigh Residences remains steady, with 27% of the units sold as at the end of November. Retail leasing activity for Woodleigh Mall has commenced.

In the Aged Care segment, the Group will leverage on its partnership with Japanese asset manager Bridge-C to seek expansion opportunities overseas.

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Financial Highlights

	1Q FY20 S\$'000	1Q FY19 S\$'000	Change %
Total revenue	249,017	258,755	(3.8)
Total costs	(195,073)	(183,914)	6.1
Operating profit [#]	53,944	74,841	(27.9)
Fair value change on investment property	10,527	-	NM
Share of results of associates and joint ventures	(762)	(2,435)	(68.7)
Net income from investments	4,549	3,182	43.0
Profit before taxation	68,258	75,588	(9.7)
Net profit attributable to shareholders	46,333	55,929	(17.2)

[#] This represents the recurring earnings of the media, property and other businesses.
 NM Not Meaningful

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For media and analysts' queries, please contact:

<p><u>Media</u> <u>Chin</u> Soo Fang (Ms) Head, Corporate Communications & CSR Division Singapore Press Holdings Tel: 6319 1216 Fax: 6319 8150 Email: soofang@sph.com.sg</p>	<p><u>Analysts</u> <u>Tok</u> Chong Yap (Mr) Tulchan Communications LLP Tel: 6222 3765 Email: sph@tulchangroup.com</p>
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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.

SPH's core business is publishing of newspapers, magazines and books in both print and digital editions. It also owns other digital products, online classifieds, radio stations and outdoor media.

On the property front, SPH owns approximately 70% in a real estate investment trust called SPH REIT which comprises Paragon, a premier upscale retail mall and medical suite/office property in Orchard Road, The Clementi Mall, a mid-market suburban mall and The Rail Mall, a stretch of shopping and dining outlets along Upper Bukit Timah Road. SPH REIT also holds an 85% equity stake in Figtree Grove Shopping Centre, a freehold sub-regional shopping centre in Wollongong, New South Wales, Australia and a 50% stake in Westfield Marion Shopping Centre, the largest and only super regional shopping centre in Adelaide, South Australia. SPH owns and operates The Seletar Mall and is developing a new commercial cum residential site, The Woodleigh Residences and The Woodleigh Mall. It also owns a portfolio of Purpose-Built Student Accommodation (PBSA) in the United Kingdom.

It is in the aged care sector and owns Orange Valley, Singapore's largest private nursing home operator.

SPH runs a regional events arm and a chain of Buzz retail outlets. It also invested in the education business.

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