CEO’s overview of group operations
Despite an uncertain economic climate and a fast-changing media landscape, SPH’s core business remained resilient for FY 2011.

The Group’s net profit was $389 million. Its revenue from the Newspaper and Magazine segment grew year-on-year by $39 million (4 per cent) to $1,013 million.

Print advertisement revenue rose by $42 million (5.7 per cent), boosted by strong display advertisement sales.

NEWSPAPERS

The Group’s print media held its ground against increased competition from various new media platforms, with total newspaper circulation averaging 981,339 copies per day, only a slight year-on-year decline of 0.2 per cent.

SPH’s newspapers performed well during the General Elections period, when total daily sales averaged 1,037,000 copies, an increase of 71,000 copies. Shin Min Daily News, in particular, scored a record high of 186,000 copies on Election Results Day.

The Straits Times held its position as the best-read paper in Singapore with a daily readership of 1.4 million, according to the Nielsen Media Index 2010 survey. Aided by a subscription drive, the Group’s flagship registered a year-on-year growth of 0.6 per cent to 354,654 copies. It also launched its iPad application as well as a monthly newsletter for subscribers.

Lianhe Zaobao continued to establish its reputation as an authoritative source and insightful voice of information and opinions for Chinese communities at home and abroad. Mr Goh Sin Teck became its new editor after former editor Mr Lim Jim Koon retired from the post to become its editorial advisor.

The New Paper remained the second best-read paid English daily in Singapore (Nielsen Media Index 2010). More significantly, it was the top choice for young readers in the 15 to 29 age group, and the second most popular newspaper with advertisers (Marketing Magazine). The paper’s revamped website was launched in April 2011.
CEO’s overview of group operations

NEWSPAPERS

The Business Times secured its position as Singapore’s best-read business daily (Nielsen Media Index 2010). The paper kept up its busy schedule of events including the Singapore Business Awards and Singapore Corporate Awards to promote excellence in the business community.

Berita Harian continued to actively engage its community through various activities. In March, the paper’s student media club, Kelab Obor, celebrated its fifth anniversary.

Tamil Murasu celebrated its 75th anniversary with a new look. The paper sold a record 29,300 copies on May 14, 2011, the highest in its history. Mr Jawhanlal Rajendran took over the helm from Ms Nirmala Murugaian as the Tamil daily’s editor in June this year.

tabla!, the free English weekly launched by Tamil Murasu Ltd for the Indian community in Singapore, saw growth in both readership and advertising revenue. The paper has a weekly readership of about 120,000, via its 30,000 print copies and website.

My Paper’s bilingual readership jumped in FY 2010 to 345,000, up from 320,000 the previous year. The paper launched its Facebook page to interact with readers. In April, the free compact paper held its fourth My Paper Executive Look contest, attracting 530 applicants including investment bankers, lawyers and doctors.

Lianhe Wanbao enjoyed a strong following for its entertainment and health coverage. Product branding events such as the Lianhe Wanbao Beauty & Healthcare Fair and the Singapore Entertainment Awards were well received by readers.


Thumbs Up Junior, a fortnightly Chinese publication for primary one and two students, was launched in March 2011, adding to the existing portfolio of student newspapers comprising zbCOMMA and Thumbs Up.

The print Classifieds business also saw a leap forward, with the installation of a new Classified Advertisements Sales Hub (CASH), which allowed the CATS call-centre sales representatives to book advertisements in English, Chinese and Malay. This opened up opportunities to sell advertisements across different SPH publications, and enhanced the efficiency for CATS Classified, which handles about three million advertisements every year.

We also launched the SPH Media Widget, an interactive virtual tool for advertisers and advertising agencies to download onto their computer desktop so that they can easily access SPH’s extensive suite of cross-media products and services when they plan for their ad campaigns.

The daily readership of our other evening newspaper, Shin Min Daily News, soared to 451,000, driven by its winning combination of human-interest stories, sports, soccer, racing coverage, plus food and lifestyle features that appealed to its heartland readers. Shin Min also organised its signature events including the popular Shin Min Fun Drive and Shin Min City Hawker Food Hunt to engage readers.
CEO’s overview
OF GROUP OPERATIONS
The Nielsen Media Index 2010 placed Her World, Female, Home & Décor and Men’s Health at the top of their respective product categories. Her World further extended its reach and is now read by nearly a quarter of a million readers every month.

Home & Décor also launched its inaugural annual supplement, Renovate, to great reception from readers and advertisers alike.

Two spin-off titles which were formerly released annually - The Peak Domain and ICON Weddings - became biannuals.

SPH Magazines continued to extend its online presence by making strategic investments to boost its regional footprint. It acquired a 34 per cent stake in Antarctica Interactive Private Limited, the holding company of the Luxury Insider Group. The Group owns online properties, Luxury-Insider.com and Inluxe.cn; luxury magazine Baccarat published in Hong Kong; as well as ULTIMA magazine, a custom title for Citibank’s high net worth clients.

In addition, popular forum-based IT website, www.hardwarezone.com, rolled out its new platform to Malaysia and Philippines, providing localised content to reach high growth markets as Internet access continued to grow significantly in Southeast Asian markets.

HardwareMAG celebrated its 10th anniversary and became the first home-grown technology magazine to be made available digitally and on iPad for its local and foreign audiences.

Another SPH subsidiary, Focus Publishing, also enjoyed a fruitful year. Its popular magazine Health No.1 became Singapore’s best-selling Chinese health and lifestyle quarterly magazine within a year of its launch.

Following the success of Health No. 1, Wellness No. 1 was launched in February 2011. The English health magazine combined the essence of the Chinese quarterly magazine with its own unique content covering a wide range of health and wellness topics, including western and eastern healthcare practices.

Chinese entertainment magazine UW (U-Weekly) celebrated its 10th anniversary with a compact sized new look and punchy content.

ZbBz, the luxury magazine for bilingual elites, maintained robust advertising revenue growth while delivering high quality journalism in its second year in the market.

NEWSPAPER SERVICES

Our print products continued to win international recognition for its print quality. SPH won awards for all of its three entries to the International Color Quality Club. The awards reaffirmed the quality standards achieved by our three printing presses, the Colorliner, KBA and UNISET.

The upgrading and renewal project at Print Centre was completed in July 2011, covering the three key components including the colour upgrade, control renewal and computer-to-plate systems. The UNISET press, which has been optimised to print commercial publications, completed more than 250 print jobs of various formats and sizes, with pagination ranging from four to 64 pages, and print orders ranging from 1,000 to 160,000 copies.

SPH Buzz Pte Ltd increased its retail footprint to a total of 67 ‘pods’ over the last five years. These outlets, representing a new generation of newsstands, fulfilled our readers’ appetite for the latest publications, as well as provided up-to-date news feeds direct from our newsroom via a scrolling LED display.

The Buzz network also evolved into a modern convenience chain by venturing into shopping malls and commercial locations whilst maintaining a foothold at major bus interchanges. A new series of Buzz merchandise has also been successfully launched to further enrich its product offerings.
NEW MEDIA

With the proliferation of smartphones and tablet devices in the market, development and enhancement of applications on these platforms became a key focus to cater to the needs of users and advertisers.

One of the major milestones in SPH’s new media development was the launch of The Straits Times on iPad. The app was an instant hit with readers, garnering more than 126,000 downloads within 24 hours of its launch.

The launch of the ST iPad and iPhone app not only reached out to more online readers, it also presented a new opportunity for many advertisers who wanted to see their campaigns presented on an impactful multimedia platform. Mirroring the features of newspaper advertisements, a new breed of “interactive print” advertisements were created for the tablet platform.

Meanwhile, SPH’s suite of smartphone applications including The Straits Times, Stomp, The Straits Times RazorTV, AsiaOne, SoShiok (Food), omy.sg (Entertainment), The New Paper (Football) successfully reached out to a new generation of news consumers.

With the target audience growing consistently and revenue from mobile advertising rising over 40 per cent year-on-year, there are plans to roll out more new apps for digital platforms soon.

Another new media highlight was the launch of the revamped straitstimes.com website, which incorporated Stomp, the paper’s popular citizen journalism site, and The Straits Times RazorTV, the online video content site. The integrated site, together with AsiaOne, which aggregates the Group’s online content, saw a 137 per cent jump in monthly page views to 220 million in August 2011 from 93 million in September 2010, while unique audience numbers grew by 60 per cent to 8.4 million in August 2011 from 5.2 million in September 2010.

Zaobao.com continued to attract a strong following of Chinese-speaking audiences from around the world. It currently draws 10 million monthly unique visitors and 100 million monthly page views on average, and has been consistently ranked the most popular print news and media site in Singapore for five years by web-tracking service Hitwise. Zaobao.com, in collaboration with SPH’s Interactive Business Unit, launched eNewstalk, an interactive Chinese e-learning platform for schools this year.

Bilingual news and entertainment web portal omy.sg continued to break new ground in the social media scene with the launch of its “Social Media Fiesta” initiative. It generated a lot of buzz in the social media scene with events such as the Singapore 4sq Day and Singapore Social Media Day. omy.sg currently enjoys a steady following of over 550,000 unique visitors and 10 million page views on average each month.

Leading Internet financial media and technology group ShareInvestor expanded its Investor Relations, Market Data Tools and IT services. The fully-owned subsidiary of SPH revamped its website and attracted more subscribers to its data services. In addition, it launched ShareInvestor Mobile for iPhones and Android phones. The Group also won the contract to revamp the new Bursa Malaysia website. It expanded its regional presence by organising various cross-border investment fairs including the inaugural Indonesia GEMS 2011 and the second Malaysia GEMS 2011.
**CEO’s overview OF GROUP OPERATIONS**

**BOOK PUBLISHING**

*Strait Times Press (STP)*, SPH’s book-publishing arm, launched “Lee Kuan Yew: Hard Truths to keep Singapore going” in January this year. It was written by seven journalists from The Straits Times based on extensive interviews with the founding Prime Minister. The bestseller was translated into Chinese subsequently.

Another notable book published by STP this year was “Diplomacy: A Singapore Experience”, written by former Senior Minister Prof S Jayakumar.

**OUTDOOR ADVERTISING**

*SPH MediaBoxOffice (SPHMBO)* firmly established itself as the leading Digital Out-of-Home advertising company with the largest number of inventories, including eight large outdoor LED screens and more than 450 indoor screens in mainly shopping malls and bank branches island-wide.

The company’s dominance is most evident in large format electronic billboards located in the Central Business District, Orchard Road and suburban heartlands such as Toa Payoh and Clementi. It also has the most established network of digital screens in 23 shopping centres in Singapore, including recent additions such as Liang Court, Tampines One and myVillage. The network reaches out to millions of consumers every month.

SPHMBO was appointed by the National Heritage Board as the organiser for the launch of “Singapore Biennale 2011”. Featuring close to 25 international artists, it was the largest arts event in recent years.

Other major events organised and managed by SPHMBO included ‘Maybank NightWalk’, which attracted more than 10,000 participants at Marina Bay. The event was listed in the Singapore Book of Records for having the largest gathering of people taking part in a night walk in Singapore.

**PROPERTIES**

*Paragon*, SPH’s key property asset, continued to enjoy 100 per cent occupancy for retail, medical and office space. The mall is home to numerous international luxury brands and remains the destination of choice for the well-heeled locals and tourists. In the face of competition from other malls along Orchard Road, Paragon embarked on a refurbishment of interior finishes in May 2010 to offer its shoppers a more compelling shopping experience. The whole enhancement project was completed in December 2010.

*The Clementi Mall*, SPH’s latest retail mall comprising five levels of shopping space, officially opened on May 21, 2011. The mall has direct links to both the Clementi MRT Station and the bus interchange, in addition to two 40 storey HDB blocks above the retail podium.

The Clementi Mall was 100 per cent leased ahead of its completion. Its anchor tenants include FairPrice Finest, Best Denki, Foodfare Foodcourt, BHG Departmental Store, Popular Bookstore and the Clementi Public Library. The mall has been attracting large crowds of shoppers and is expected to make valuable contributions to SPH’s property portfolio.

**EVENTS AND EXHIBITIONS**

Since its incorporation in 2008, *Sphere Exhibits*, SPH’s events and exhibitions arm, has organised a total of 22 exhibitions featuring 750 exhibitors and attracting over 1.5 million visitors.

Sphere also successfully organised a series of well-received consumer events such as Beerfest Asia 2011 and Asian Masters 2011. Meanwhile, Exhibits Inc continued to be the leading organiser in the IT and F & B sectors with its signature events – COMEX, IT SHOW, Food and Beverage Fair and World Food Fair.

Exhibits Inc also announced that COMEX, Singapore’s biggest IT and technology exhibition, will make its debut in Beijing, China in 2012. It will be launched by Sphere Exhibits (Beijing) Co Ltd, a joint venture between Exhibits Inc Pte Ltd, AsiaPac Distribution Pte Ltd and AKL Beijing Limited.
BizLink Exhibition Services enjoyed great success as a trade fair organiser with the Singapore Gifts & Premiums Fair returning for the 12th year in 2011. It was also the appointed event organiser for the Franchising & Licensing Asia show this year.

Following the success of its inaugural trade show for the construction industry, BuildTechAsia, Sphere will continue to grow its trade sector to allow exhibitors to select from a range of Meetings, Incentive Travel, Conventions and Exhibitions to develop their business ideas and expansion initiatives.

BUSINESS OUTLOOK

The recent global events, including the historic downgrade of US sovereign credit and European debt woes, have caused fresh jitters in global financial markets. It has also affected the projected economic outlook for Singapore.

Given the uncertain forecast, we will continue to monitor our cost levels closely while devoting resources to operating our core newspaper business and growing adjacent businesses beyond print.

As the global media trend points towards digital publications as the next step in publishing innovation, we will continue to innovate and create media products which are relevant to the changing needs of our readers and advertisers.

With the strong support of all stakeholders, we have been able to deliver a sustained performance in FY 2011. We also owe our good performance to our staff’s hard work and commitment.

I am confident that with the strong support of our readers, advertisers, customers, the collective strengths of our dedicated staff and union and strategic guidance from the Board, we will continue to live up to our company’s brand statement – to be the region’s leading media organisation, engaging minds and enriching lives across multiple languages and platforms.

Chan Heng Loon, Alan
Chief Executive Officer