The Group operating revenue was $1,239.5 million for the financial year 2012/2013.
The last financial year had been an eventful one for SPH. From IPO, product revamps, new launches to business acquisitions, we continued to engage and serve our customers and advertisers in different ways.

The Group operating revenue was $1,239.5 million for FY2013, 2.6 per cent lower than the previous year. The recurring earnings decreased by 13.9 per cent to $369.3 million.

Revenue for the Newspaper and Magazine business was $991.2 million. Advertisement revenue was $757.2 million.

NEWSPAPERS

SPH’s newspapers did well in an increasingly challenging media landscape and turned in a commendable performance in the last financial year.

The Straits Times (ST), our English-language flagship newspaper, remained the best-read publication in Singapore with a daily readership of 1.39 million, based on the 2012 Nielsen Media Index report. Total paid digital subscriptions for ST on its multiple platforms soared to 116,900, a threefold increase from the previous year. This number is measured according to criteria set out by the Audit Bureau of Circulation.

ST stepped up its reader engagement efforts with its STAR (Straits Times Appreciates Readers) events, including an inaugural ST Run in the Park at the Punggol Waterway in August, which attracted about 12,000 participants. It also published its first interactive e-book, “Myanmar Sunrise”.

Our Chinese-language flagship newspaper, Lianhe Zaobao (Zaobao), celebrated its 90th anniversary with a host of activities. Notable commemorative events included Nine Songs, an arts extravaganza for readers; Fun With Books, a volunteer reading programme in the library; comics and photo exhibitions, tree-planting day for the community and a gala dinner. Zaobao continued to stay in the forefront of new media with the debut of its iPhone and Android smartphone apps. Zaobao.com was revamped in May 2013 with new content and design to offer a better reading experience.

With the launch of paid digital editions, The Business Times (BT) grew its total circulation by 16 per cent to 42,200. While its print circulation remained strong at about 31,200, total paid digital subscriptions rose to 11,000. BT continued to grow its market presence. Its personal finance website, BTInvest, launched in February last year as a free, one-stop financial portal, provided users with the latest market updates, corporate announcements, research reports and policy updates. Two of its magazines – the SME Magazine and Wealth – were given a profile boost, with higher frequency and circulation.

The New Paper (TNP) held its place as the second-most read paid English daily newspaper in the Nielsen Media Index 2012 survey, with an average daily
Ceo’S OverviEw of group operAtions

readership of 459,000. It celebrated its 25th anniversary with a TNP Mardi Gras party at Robertson Quay which attracted about 1,000 party-goers. The anniversary celebrations included a revamp of the newspaper in October 2013, to be followed by the launch of new digital products.

Malay-language newspaper Berita Harian (BH) welcomed a new editor in November 2012. Former news editor Mohd Saat Abdul Rahman now heads the daily. Following a newsroom reorganisation, BH was re-launched in May with a new, modern design. Digital editions will follow in the new financial year. BH continued to engage its readers with events such as dialogue session for Malay/Muslim PMETs and its annual Berita Harian Achiever of the Year award.

SPH’s free daily, My Paper, was revamped in November 2012 with a vibrant new look. A new section, My Executive, was launched for working executives. It launched a new website, iOS and Android apps.

Tamil Murasu (TM), our Tamil daily, grew its revenue and profit, while its circulation held steady. Together with tabla!, the English free weekly targeted at the Indian community, TM organised a three-day Deepavali shopping festival in December 2012 at the Singapore Expo. At the event, we also presented the annual tabla! Community champion award to Mount Everest climber, Dr Kumaran Rasappan.
SPH’s newspapers did well in an increasingly challenging media landscape and turned in a commendable performance in the last financial year.

Lianhe Wanbao (Wanbao) celebrated its 30th anniversary with the theme “Wanbao – 30 Years of Dedication” - a reflection of the editorial team’s devotion and passion in bringing to readers the most updated news. To celebrate this milestone, Wanbao ran a series of programmes to engage readers, including a mass work-out, a charity drive, a CoffeeTalk forum and a mobile app containing repackaged content of its anniversary supplement.

Shin Min Daily News (Shin Min) engaged readers with popular events such as the Shin Min SME Learning Cruise for entrepreneurs and Shin Min City Hawker Food Hunts. In addition, it launched a series of books on Buddhist Master Hsing Yun, which were well-received by readers.

A new student newspaper called Thumbs Up Little Junior was launched for pre-school children in August this year. It is a 12-page biweekly publication with cheerful illustrations to encourage the young to read. Student publications Thumbs Up and zbCOMMA were also revamped to enhance their appeal to the young.

CIRCULATION AND SUBSCRIPTION

Circulation garnered a sizable base of 182,600 direct subscribers three years into the Circulation Growth Thrust initiative. A series of successful acquisition and retention strategies were designed to boost subscription and circulation copies. New digital offerings for various publications have been lined up in the coming year to capture a larger audience in the cyber space.

To meet the demand for digital content, several additions to the Group’s family of digital products were launched. The Lianhe Zaobao (ZB) OTO campaign in August 2012 was the first subscription initiative to offer both print and digital editions of the newspaper to readers. The ZB All-in-One bundle was also introduced to allow readers access to both print and digital media. The campaign was an overwhelming success, attracting 8,400 subscribers.

SPH Rewards, an exclusive programme created to reward our direct newspaper subscribers, was revamped in May 2013. The enhanced SPH Rewards programme offered greater value and a larger selection of attractive rewards such as dining delights, retail indulgences, wellness therapies, entertainment and vacation getaways to the direct subscriber.

MAGAZINES

SPH Magazines continued to be the leading magazine publisher in the region, having acquired ACP Magazines Pte Ltd in November 2011. According to the Nielsen Media Index 2012, SPH Magazines benefitted significantly from acquisition synergies, expanding its market coverage to include a wider range of readers and advertisers, both in Singapore and Malaysia.

SPH Magazines published the five most popular women’s magazines in the country, i.e. HerWorld, Female, Singapore Women’s Weekly, Cleo and Harper’s Bazaar. In addition, other publications such as Men’s Health, Young Parents and Home & Decor held their positions as the leaders in their respective genres.

It also made significant progress on digital media. There are now 60 magazine titles with digital editions. HardwareZone expanded regionally.
CEO’S OVERVIEW OF GROUP OPERATIONS

SPH Magazines benefitted significantly from acquisition synergies, expanding its market coverage to include an even wider range of readers and advertisers, both in Singapore and Malaysia.

into Asian countries including Indonesia, Thailand and the Philippines. herworldPLUS.com was redesigned to provide up-to-date content for readers.

SPH Magazines continued to engage readers and advertisers with signature events to showcase its titles, in particular Men’s Health Urbanathalon, which was opened to female participants for the first time. SPH Magazines also came up with publications for many other organisations, including Singapore Airlines, BMW, Toyota, Lexus, Cold Storage and SAFRA.

SPH Magazines’ many titles, such as Her World, Home & Decor and The Peak, are now available in various regional editions. SPH Magazines’ International Licensing Unit will continue to actively comb the region for new licensing and growth opportunities.

Chinese entertainment, lifestyle and social news magazine U-Weekly (UW) celebrated its 400th issue in August this year with a new look. It now comes in a more compact size that is handy and more convenient for its readers. UW also published the seventh book in its popular “Yummy Guide” series in August, focusing on Japanese cuisine.

Best-selling quarterly magazine Health No. 1 offered readers the best of both western and traditional Chinese medicines. Its English edition Wellness No.1 was equally well received.

Two Newspaper Insertion Systems were installed in April 2013 in the production mailroom to enhance the production process. These systems are capable of inserting pre-printed sections of the newspaper and commercial leaflets, or booklets, into the main section of a newspaper simultaneously.

NEW MEDIA

A major achievement in the year was the record highs registered for page views and unique visitors to digital products for the web, smartphones and tablets. In July 2013, AsiaOne, The Straits Times, Stomp and RazorTV attracted at total of 315 million page views and 9.8 million unique visitors. Engagement per user was also high at 38 minutes. Stomp’s entertainment site, Lollipop, registered strong growth since its launch in October 2012. AsiaOne, the one-stop information mall, saw page views hit a record high of more than 85 million in July 2013.

An important digital initiative was the “Go Mobile” Thrust, a two-year plan to grow traffic and revenue through the launch of 12 new apps for tablets and smart phones. These second-generation apps are content-rich, innovative and heavy on social media. The first app to be launched under the initiative is food app ST SoShiok.
Readers and advertisers can browse through a digital version of ST CATS Classified daily print ads from noon the same day. A 7-day archive of our print classifieds can also be accessed by downloading the free Classifieds app. To enable advertisers to book their ads while on the go, CATS Classified introduced the PropAdbooker and CarAdbooker on both iOS and Android platforms.

All four verticals of the online Classifieds – STJobs, STCars, STProperty, STClassifieds – increased their traffic and revenue barely a year after their launch. STCars and our new acquisition, sgcarmart, are expected to attract even more car owners and buyers. STProperty is now home to close to 100,000 exclusive and quality listings. STClassifieds’ Hourly Specials proved to be a hit with users as this initiative showcased discounted deals from more than 1,000 merchants.

SPH Interactive, a wholly-owned subsidiary of SPH, invested in Chope, a local start-up that allows diners to make restaurant reservations online.

Bilingual news and entertainment website omy.sg continued to boost its content and reach with the launch of the Go Social vertical which explores the hottest trends on social media. omy.sg’s News and Showbiz apps were made available for Android mobile devices and on Blackberry World. omy.sg also rolled out a video vertical to provide a consolidated channel for readers to access omy.sg’s video online.

Our online business expanded regionally. Mudah.my is now the largest local website in Malaysia with over 10 million users and total page views surpassing 700 million every month. Berniaga.com and Ayosdito.ph made in-roads in Indonesia and the Philippines respectively, and both are now the second largest online classifieds sites there. Chotot.vn is the largest online marketplace in Vietnam as well as the fastest growing Vietnamese website, with over 4 million users and 100 million page views every month.

ShareInvestor (SI) continued to be the market leader in online Investor Relations services in Singapore, Malaysia and Thailand, serving more than 450 listed companies across the region. SI grew subscriptions of its Market Data Tools business by 15 per cent, and added Malaysian market data to its WebPro and Station offering. SI’s annual investment events, INVEST Fair Singapore and Malaysia, attracted more than 20,000 visitors. Riding on the success of these events, two INVEST Carnivals were held at Toa Payoh Hub and IMM.

BOOK PUBLISHING

Straits Times Press (STP) launched 28 new titles across various subject categories. Highlights include former Prime Minister Lee Kuan Yew’s “One Man’s View of the World” and “Lee Kuan Yew: A Life in Pictures”. STP also published a range of commissioned corporate projects such as Ahead of the Curve – Reflections at Keppel Bay, Gardens by the Bay, The Esplanade, the Asia Pacific Brewery 80th Anniversary book and First Among Equals – Singapore Island Country Club’s 50th Anniversary book. It was appointed by the National Arts Council to publish the five winners of its “Beyond Words” Young Adult Fiction competition.

Focus Publishing Limited published a total of seven coffee table books, including a collaboration between Business China and Lianhe Zaobao, chronicling Mr Lee Kuan Yew’s contributions to Singapore-China bilateral relations. Its other key titles included “Practising the Profession”, a commemorative book for Nurses’ Day produced for Tan Tock Seng Hospital, “Championing Manufacturing”, an 80th anniversary commemorative book for Singapore Manufacturing Federation and “Spring in the City” 20th anniversary book for Golden Travel Services Private Limited.
A milestone for SPH for its property business was establishing the SPH REIT in 2013. SPH REIT is established to invest, directly or indirectly, in a portfolio of income-producing real estate, which is used primarily for retail purposes in Asia-Pacific. SPH REIT was officially listed on the Singapore Exchange on July 24 with a strong market debut.

Its initial portfolio comprises Paragon, the prime retail mall located in Orchard Road and The Clementi Mall, a mid-market suburban mall located in the heart of Clementi town. The two malls are managed by SPH Retail Property Management Services Pte Ltd.

Meanwhile, Paragon maintained full occupancy for its retail, medical and office space. It is home to many international luxury brands and remains a destination of choice for well-heeled locals and tourists. The Clementi Mall enjoys high shopper traffic with its centralised location, which is connected to the Clementi MRT station and bus interchange.

The Seletar Mall, located at the junction of Sengkang West Avenue and Fernvale Road, is the latest retail project of SPH since the award of the tender in January 2012. The four-storey suburban family-orientated shopping mall, a joint venture with United Engineers Ltd, is targeted to be completed in December 2014.

SPH UnionWorks’ new station, Kiss92, was an instant hit - its listenership soared to 419,000. It clinched third spot among all English stations within months of its launch in September 2012, according to Nielsen’s bi-annual radio diary survey.

SPH UnionWorks also repositioned HOT FM91.3, its English contemporary hit radio station, as the radio station of choice for listeners under 30. The station has since become the number 1 hit music station in Singapore, with a listenership of 331,000. The Chinese lifestyle station UFM 100.3 also saw its listenership grow by 20 per cent to 316,000.

On the digital front, the stations’ award-winning mobile apps were lauded for their interactive features which include integrated contact functions and live charts.

Since its incorporation in 2008, Sphere Exhibits has organised a total of 80 exhibitions and attracted over 1,500 exhibitors with more than 2.5 million visitors. Since financial year 2010, Sphere Exhibits has incorporated subsidiaries, Exhibits Inc and BizLink Exhibition Services, and the recently Sphere Exhibits Malaysia Sdn Bhd.

Sphere Exhibits also set up Sphere Malaysia in Kuala Lumpur after acquiring three long-running trade and consumer events including the Malaysia International Food & Beverage, Smart Kids Malaysia and The Golden Bull Awards.
OUTDOOR ADVERTISING

SPHMBO extended its digital footprint from large outdoor LED billboards at key locations in the Central Business District and Orchard Road to indoor digital signages in selective shopping malls and banks. It also provided traditional outdoor media solutions through its network of large billboards, banners and other forms of street furniture in the city, including the new Marina Bay Financial Centre.

SPHMBO also launched several interactive outdoor campaigns, making use of innovative interactive elements such as gesture-based digital screens, QR codes and social media platforms.

SPH BUZZ

Incorporated in 2007, SPH Buzz Pte Ltd, a wholly owned subsidiary of SPH, has evolved from a traditional newsstand to a modern retail convenience chain, establishing and cultivating its growing presence with 75 Buzz pods located at major bus interchanges, MRT stations, bus shelters, shopping malls and heartland areas.

In November 2012, SPH Buzz expanded its existing network of Buzz pods and increased its retail foothold when it won an LTA tender to operate 30 bus stop kiosks at key commuter points. In April 2013, SPH Buzz entered into a partnership with POSB to offer ATMs and banking services at selected Buzz pods.

BUSINESS OUTLOOK

Moving forward, the Group’s advertising revenue performance will be driven by market conditions and consumer sentiment in the key advertising sectors.

We will continue to invest and develop new media products to meet the changing needs of our customers while striving to sustain our core newspaper business.

To grow our media business, we will be establishing a $100 million New Media Fund to invest in media-related businesses. These investments will play a critical role in supporting our aspiration to be the leading multi-media company in Asia.

We will also grow our adjacent businesses like property, events and exhibitions.

Success is only possible with the continued support of our stakeholders – readers, advertisers, consumers, and our staff and unions. Together, I am confident that we can meet new challenges ahead.

Chan Heng Loon, Alan
Chief Executive Officer